

# 2009 COMPREHENSIVE ANNUAL FINANCIAL REPORT



***CITY OF GRAND JUNCTION, COLORADO***

**Fiscal Year Ended December 31, 2009**

***BECOMING THE MOST LIVABLE COMMUNITY WEST OF THE ROCKIES***

*About our cover . . .*

The cover picture was taken at Sam Suplizio Field, which was named the 2009 Colorado Field of the Year by the Colorado Sports Turf Managers Association. This Association recognizes outstanding turf sports facilities and the staff who work so very hard to maintain them.

It is a great honor to receive this award, especially considering the extensive use of the field, which includes four local high schools, Mesa State College, the senior men's baseball league, high school summer baseball, the National Junior College World Series (JUCO), the July 4th fireworks celebration and numerous other community events.





## ***City of Grand Junction, Colorado***

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED DECEMBER 31, 2009**

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Administration Department  
Financial Operations

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**Downtown**

**Art On The Corner**



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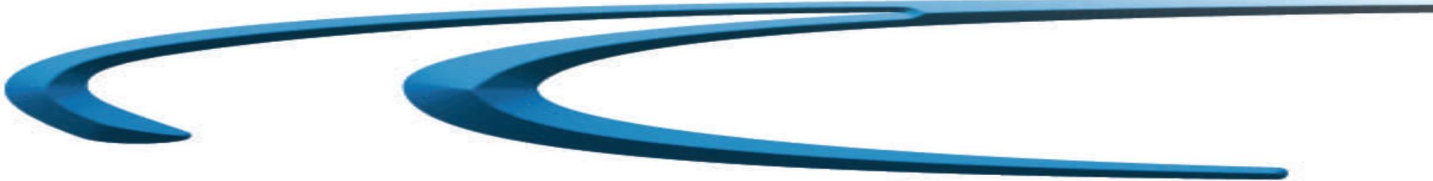
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# **INTRODUCTORY SECTION**



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Financial Operations Division

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June 28, 2010

To the Honorable Mayor, Members of the City Council,  
City Manager and Citizens of the City of Grand Junction

It is with great pleasure that the Comprehensive Annual Financial Report (CAFR) for the City of Grand Junction for the year ended December 31, 2009, is presented. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed public accountants. This Comprehensive Annual Financial Report is hereby issued and submitted to you for the fiscal year ended December 31, 2009, in accordance with these requirements.

This report consists of management's representations concerning the finances of the City of Grand Junction. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control procedures have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Grand Junction's financial statements have been audited by Chadwick, Steinkirchner, Davis & Co., P.C, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Grand Junction for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Grand Junction's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Grand Junction was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards.

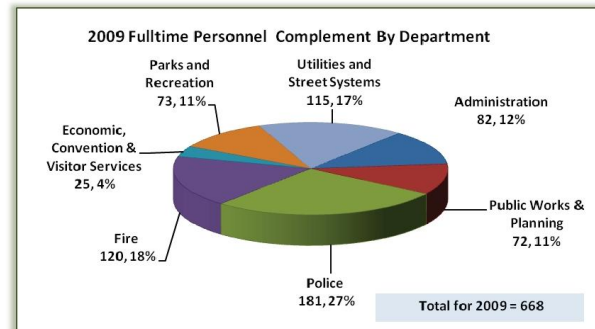
Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Grand Junction's MD&A can be found immediately following the report of the independent auditors.



## PROFILE OF THE GOVERNMENT

The City was first settled in 1881 and was incorporated in 1882. It became a home rule city in 1909 by adopting its own charter pursuant to Article XX of the Constitution of the State of Colorado. The City operates using the Council-Manager form of government.

The City provides a full range of services including public safety (police, fire, emergency medical services and ambulance transport), public works (highways, streets, sanitation and water), culture-recreation (parks, cemeteries, swimming pools, golf courses, convention center, and general recreation), planning, visitor and convention, and general administrative services. The relative department sizes are depicted in the chart in terms of personnel.



Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Ridges Metropolitan District, Grand Junction West Water and Sanitation District, and Grand Junction Public Finance Corporation are reported as debt service funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Downtown Development Authority is reported as a discretely presented component unit.

The City of Grand Junction currently occupies a land area of 37.84 square miles and serves an estimated population of 56,000. The City of Grand Junction is empowered to levy a property tax on both real and personal business properties located within its boundaries and to establish and collect its own sales and use tax. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

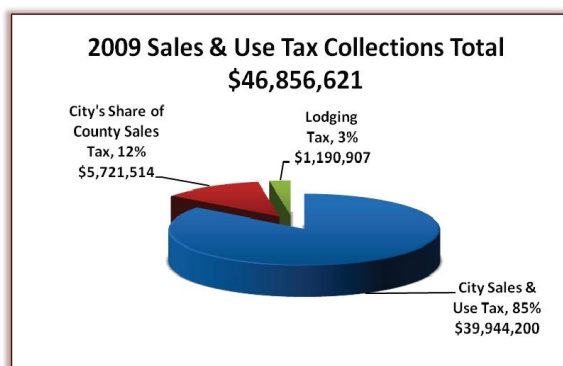
Policy-making and legislative authority are vested in a City Council consisting of seven members, one of which is elected mayor each year. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing boards and commissions, and hiring the City Manager, City Attorney, and Municipal Court Judge. The city's manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three or four council members elected every two years. Five of the council members must live in one of the five districts but are elected city-wide. The two remaining council members are elected at large.

In addition to internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds are included in the annual appropriated budget ordinance. Appropriations for all funds lapse at year-end. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department for control at the line item level. Department heads have the authority to reallocate the distribution of budget amounts within the major category of operating expenditures within their department. Budget reallocations between major expenditure categories or within the major categories of personnel and capital require City Manager approval. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are not an actual use of appropriations. Therefore, open encumbrances at year-end for which the expenditure has not yet occurred either become expenditures against the new year's appropriation or are canceled.

Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 38 as part of the basic financial statements for the governmental funds. For other major governmental funds (and non-major) this comparison is presented in the governmental fund subsection of this report, which starts on page 77.

## FACTORS AFFECTING FINANCIAL CONDITION

The City of Grand Junction is located on the I-70 corridor, about 250 miles west of Denver and 27 miles east of the Utah border. The City lies in a valley formed at the junction of the Gunnison and Colorado Rivers, surrounded by majestic mesas. As the largest city in western Colorado, Grand Junction is the major service center for western Colorado and eastern Utah. Commercial services, merchandising operations and health care services are in place to serve far more people than live in the valley. Major retail outlets have further augmented the regional service aspect of the City. A diversity of industrial, recreational and service activities along with oil and gas exploration provides a strong economic base. This base, generated by community economic development and private enterprise marketing, has brought steady, consistent growth to the area for many years.

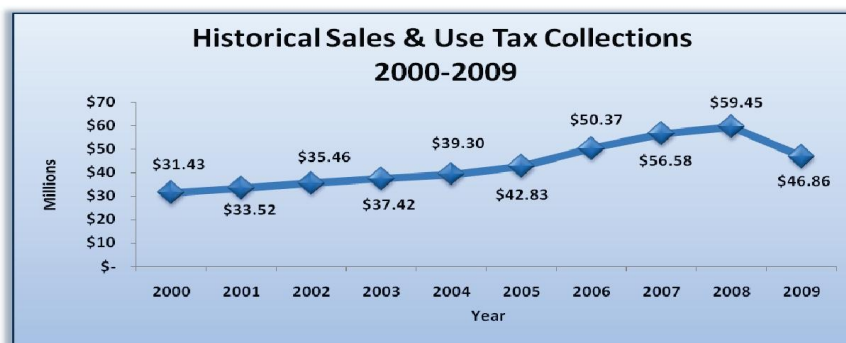


The mild climate and close proximity to a great variety of outdoor activities year-round have made Grand Junction both a vacation destination and a retirement community. A 3% lodging tax passed by the voters and implemented in 1990 is funding promotion of the Grand Valley as a tourism destination.

As in the past, city management and leadership continue to finance current operations with current operating revenues, while debt has been kept to a minimum. The three-quarter cent increase in city sales taxes, effective January 1, 1988, provides funds for capital expenditures and economic development. The sales and use tax revenues, allocated to the General Fund, account for 57.3% of its revenues (excluding capital transfers).

The Sales and Use Tax Collections graph shows the elements of sales and use taxes and their proportionate size while the Historical Sales and Use Tax graph below shows the historical collections and growth since 2000. As shown, these tax revenues decreased by 21% from 2008 to 2009, which is the first decrease in over 20 years.

The area has historically experienced economic cycles of about ten to fifteen years, moving from strong economic growth to mild to significant decline. The Grand Junction Metropolitan Statistical Area (MSA), which is the greater metro area inside Mesa County, has experienced a population growth averaging nearly 3% since its inception in 1995. In 2008, the Grand Junction MSA was growing in population, jobs, personal income, and gross metropolitan product.



However, as a result of the national recession, a significant reduction of oil and gas exploration in the area, and a substantial decline in development and construction, Grand Junction experienced the largest percent job loss in the entire nation in 2009. Since peak employment levels in October 2008, Grand Junction's local economy lost 12.3% of its jobs by the end of 2009. This job loss dramatically restricted consumer spending resulting in significant declines in retail activity and sales and use tax revenues. Although regional data has not yet been released, the State of Colorado as a whole experienced a 2.2% decline in personal income during the year. Compounding the loss of local revenues, is a decline in the state shared revenues including severance taxes and federal mineral leasing revenues.

In 2009, the City dedicated staff to evaluate and capitalize on grant opportunities through the American Recovery and Reinvestment Act. The City applied for over \$39.8 million in funds and was awarded \$1.9 million, including a \$1.3 million dollar award from the Community Oriented Policing Services division in the Department of Justice. Another \$520,000 was awarded in direct allocation funding in Justice Assistance, Energy Efficiency, and Community Development Block Grants.

The City has continued to work toward diversifying its economic base and business climate. The excellent quality of life offered in Grand Junction, which is critical to the attraction, motivation and retention of skilled and talented workers, is appealing to businesses, individuals and tourists alike. Spectacular scenery and recreational opportunities, excellent climate and air quality, a superb public school system, low crime rates, higher education opportunities, and quality medical services make the Grand Junction area an easy choice for relocation.



During the year, the City had many accomplishments. Among them were:

- In 2009, the City started construction on the 29 Road Viaduct. This project is the next step, after the recently completed \$110 million Riverside Parkway, in the overall transportation beltway system. Overall this is a \$32 million, joint project with Mesa County and is to be completed in 2011. It is a key connection in the valley's transportation network by providing direct access from the southeast residential area to the businesses, jobs, and services located in the central and northwest areas of the City. Once completed, the 29 Road Corridor will directly connect US 50 south of town to Interstate 70.
- In continued partnership with the Downtown Development Authority (DDA), the \$2.7 million beautification project for Colorado Avenue was completed in 2009. This is part of an overall structural design and improvement plan for the downtown area including the 7<sup>th</sup> Street beautification project completed in 2007 and the Main Street "Uplift" planned for 2010, which will be 100% funded by DDA tax increment dollars.
- The multi-year Ranchman's Ditch Flood Control "Big Pipe" project was completed in 2009. This project provides flood protection for almost 400 commercial and residential properties.
- The City's Comprehensive Plan, which began in 2007 was substantially completed in 2009 and formally adopted by City Council in early 2010. The Comprehensive Plan was developed through an interactive community effort and will play an important role in guiding the future growth and development of the City of Grand Junction. As part of the comprehensive planning process, the 201 Persigo Sewer Service boundary was extended by an additional five square miles.
- In 2009, the City began initiating and managing the implementation of numerous public safety system infrastructure that will benefit citizens in Mesa County as well as surrounding communities. This infrastructure will centralize and allow for shared use of criminal justice records across valley law enforcement agencies; convert the VHF radio system to 800 MHZ, so local agencies and first responders can directly and immediately communicate with each other and state and local organizations; and upgrade the computer aided dispatch system in the Regional E-911 Communication Center which manages all public safety service delivery for 19 user agencies of the communication center.

## **FUTURE OUTLOOK**

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The City remains committed to the maintenance and improvement of the quality of life in the valley. Through various communications with the community, the City has determined that providing a high level of public safety services, improving infrastructure, enhancing parks and recreation opportunities, planning, and policy development remain key issues for making this area the most livable community west of the Rockies. The City's efforts in these areas strive to serve its citizenry in the long-term while maintaining a sound financial position.

The City has experienced sustained growth over three decades and particularly strong growth the last few years ending in 2008. Even with the recent recession and loss of jobs, growth is still forecasted for the next 25 years with a possibility of doubling the population during that time. During 2009 and continuing into 2010, the City has experienced the most significant decline in resources in the last 25 years forcing major reductions in spending and personnel. To date, the City has reduced general government spending by 30% since 2008 and the number of full-time positions by 10% since the beginning of 2009. The City's challenge now is how to continue to provide essential services with existing resources.

The Grand Junction City Council's top priorities to prepare for future planning include the application of the Comprehensive Plan, finding a solution to the need for new public safety facilities, and implementation of the City's Compressed Natural Gas Project. Other priorities shaping future planning include expanding the community through annexation, continuing commitment to capital investment, providing transportation connections within the community, redevelopment of the city center, economic development, and parks and trail development.

The Comprehensive Plan has 12 goals which describe the public purpose of the plan: to implement the Comprehensive Plan in a consistent manner between the City, Mesa County, and other service providers; to maintain community separators (buffer areas) between Grand Junction, Fruita and Palisade which define these distinct communities; to create ordered and balanced growth and spread future growth throughout the community; to support the continued development of the downtown area of the City Center as a vibrant and growing area with jobs, housing and tourist attractions; to provide a broader mix of housing types in the community to meet the needs of a variety of incomes, family types and life stages; to encourage preservation of existing buildings and their appropriate reuse through land use decisions; to promote the placement of new development adjacent to existing development (of a different density/unit type/land use type) should transition itself by incorporating appropriate buffering; to create attractive public spaces and enhance the visual appeal of the community through quality development; to develop a well-balanced transportation



system that supports automobile, local transit, pedestrian, bicycle, air, and freight movement while protecting air, water and natural resources; to develop a system of regional, neighborhood and community parks protecting open space corridors for recreation, transportation and environmental purposes; and to continue to place public facilities and services for our citizens as a high priority in planning for growth; to sustain, develop and enhance a healthy, diverse economy by continuing to be a regional provider of goods and services.

The City Council remains committed to partnering with the community in finding a solution to the need for improved public safety facilities. The City went to the voters in November 2008 and asked for an additional one-quarter cent sales tax to fund public safety; and although defeated, the community showed strong support by casting almost 12,000 or 43% “yes” votes. In 2009, the City Council re-evaluated the community involvement, components, and funding options of any public safety project moving forward. In 2010, the City Council will launch a three-phase “Listening Tour” which will include surveys, public meetings and a telephone town hall meeting with the goal of collecting suggestions and recommendations from community members about the status of Grand Junction police, 911 and fire facilities and the future of those facilities. As indicated in two separate independent polls conducted in 2008, the community recognizes public safety as one of the key foundations to a livable community and one of the primary responsibilities of local government.

The City of Grand Junction is actively committed to energy efficiency and water conservation efforts and continually strives to implement strategies that preserve resources and increase efficiencies. One new area of particular focus is the City’s Compressed Natural Gas (CNG) Project. The City’s CNG Project is threefold: transitioning the City’s fleet into natural gas vehicles, constructing a CNG fueling station, and the Persigo Project. The Persigo Project began in 2006 with the discussion regarding the Persigo Wastewater Treatment Facility, jointly owned by the City and County. As a byproduct of the anaerobic digestion process required for treating the wastewater, excess digester gas (methane) is generated daily and currently being flared into the atmosphere. After conducting extensive studies, it has been determined that this excess gas can be captured and converted into compressed natural gas (CNG) that can be used as a vehicle fuel. Great strides were made in 2009 for all three areas of the CNG project, and by the end of 2010 the City will have four natural gas refuse haulers in operation and the CNG fueling station will be fully constructed and in use.

During the last three years the residents of Clifton, which is an unincorporated neighboring area to Grand Junction, have explored the options of acquiring urbanized services. One of those options is annexing to the City of Grand Junction. Annexation of this area would increase the City’s area by approximately one-third and the population by 25%. This is one example of how the valley is urbanizing and the potential challenges to the City. In 2009, petitions were circulated by residents of this area, however, not enough signatures were garnered in order to pursue the request to be annexed.

One of the City’s ongoing and major priorities is the preservation and improvement of the infrastructure. The City’s continuing infrastructure improvements are funded to a great extent by the increased sales tax rate in 1988. The three-quarter percent is allocated to the Sales Tax Capital Improvement Fund and used to fund budgeted capital improvements. This has clarified the revenue stream for long-range capital planning efforts. As part of our long-range financial planning process, these funds are projected and allocated to specific projects while maintaining flexibility for future City Councils, however, because the City is still growing and the related infrastructure is not complete, the capital needs far outweigh the capital resources.

The most significant capital project in the history of the City is the Riverside Parkway. The project entailed building a loop around the City that extends from 24 Road/Redlands Parkway to the intersection of 29 Road and D Road. The lower section of the Parkway extends from 4<sup>th</sup> Avenue to the intersection of 27½ and D Road. The final connection will extend from Highway 50 on Orchard Mesa to a new interchange at I-70. This loop is designed to provide interconnectivity to and around the City, as well as between different demographical areas of the valley, effectively connecting residential areas with jobs and services.

With the beautification projects for 7<sup>th</sup> Street (2007), Colorado Avenue (2008/2009) and Main Street (planned 2010), the City’s downtown is vibrant and attracting new residential, retail and commercial development activity. The Farmers’ Market, Art & Jazz Festival, Cinco de Mayo, art exhibits and a historic theatre draw thousands of people to the downtown area each year. The tax increment district which funds the Downtown Development Authority has been extended past the 2012 expiration date; and with the future adoption of a downtown master plan, the city center should continue to redevelop and sustain economic growth.

The City continues to take the lead in promotion and funding for economic development for the area. Incentives and area promotion have brought numerous businesses to the valley. The City plans to continue the support and funding of this process to maintain and stabilize growth. The City works closely with the Grand Junction Economic Partnership, Mesa County, Mesa State College, the Business Incubator Center and other local entities to further this economic development goal. Promoting economic development is an important component of ensuring that Grand Junction protects and continues to enjoy the benefit of its regional position.

The 3% lodging tax for the Visitors and Convention Bureau (VCB) is making an impact on increasing visitors to the Valley. The VCB has and will continue to take advantage of special events. One such event is the annual Junior College Baseball World Series (JUCO) which begins the summer in conjunction with the Memorial Day weekend. The tournament, held since 1957 in Grand Junction, attracts fans from around the nation and attendance for the week can top 100,000 people. The local economic impact of this event is estimated at \$4 million each tournament. In 2009 Grand Junction's Suplizio Field, which is home to JUCO as well as many other youth baseball activities, was named "Colorado Sports Turf 2009 Field of the Year".

The City continues the commitment to parks and trails development. A riverfront park area and trail system along the Colorado River is backed by the City through resources of personnel time, direct funding and facilitating grants from federal, state and private sources. The City has purchased land for this park and the riverfront trail system. Much of this property was the site of wrecking yards, which have now been removed. The park objectives are to provide additional recreational facilities, beautify the entrance to the City and improve flood control for the area. Several trails have been completed and are open to the public.

The purchase and development of the 103-acre Canyon View Park began in 1996 with major softball and soccer facilities, as well as other amenities including a new weather station to help operate the irrigation system more efficiently. Development continued with the construction of a baseball field in 1998, new tennis courts in 2008 and new restroom facilities in 2009. An additional site was purchased in 1996 for future development of a regional park. This site covers over 207 acres and was fully paid for in 2006. While the site is currently under a farming lease contract, various trails are open to the public for non-motorized use.

The City strives to improve alliances and increase communication with other governmental agencies and community groups. Joint planning with Mesa County is maintained for the urbanizing area from 19 Road to 35 Road to develop continuity throughout the valley. The City assists Mesa County in the support of the Grand Valley Transit system, a limited fixed route "circulator" which began servicing the core areas of the valley and the outlying municipalities in 2000. Through the cooperative efforts of the Grand Junction City Council, Mesa County, Mesa State College, School District 51 and the Grand Junction Chamber of Commerce, a committee of 10 to 12 citizens from throughout the community was appointed to build a "vision" 2020 for the Grand Valley. Once this project was successfully completed, the City undertook and completed its own Strategic Plan for the next 5 to 10 years, which is updated every two years. The City has also built alliances with the creation of the Western Colorado Drug Task Force, a collaborative effort between the Grand Junction Police Department, the Mesa County Sheriff's Office and the Federal Drug Enforcement Agency. The Task Force's function is intelligence, search warrants, interdiction, prescription fraud, traffic interdiction and continued emphasis on seizures of methamphetamine drug labs and trafficking. Another example is the cooperative effort between the City, Mesa County, the City of Fruita and School District #51 in providing a School Resource Officer Program to the schools in the valley.

Multiple-year plans and projections are utilized in budgeting and organizing city functions, programs and projects. These plans include funding policies that have put the City on the sound financial footing it enjoys today.

## **FINANCIAL POLICIES**

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The City has financial policies and practices that guide budget, investments, debt, revenue, purchasing, risk management and reserves. During 2009, the City Council policy direction included providing local stimulus through capital construction projects, operate within existing revenues, continue to provide essential services and preserve a general fund balance of \$20 million or more. Over \$13.6 million in capital projects were moved forward in 2009 and 2010 in order to provide direct local economic impact. Significant budget cuts were made including a 10% reduction in workforce to operate within existing resources. The majority of the reductions were made in areas other than public safety operations, and therefore, the City was able to minimize impacts to public safety essential services. City management was successful in following City Council's policy direction for the year through responsive, conservative, and sound financial decisions.

The City Council has formally established an investment policy which includes steps to properly manage the risk, safety, and life of investments. Investment income decreased in 2009 due to lower yields. The net average yield on investments was 2.5%, down from 3.5% in 2008.

The City has had a comprehensive loss control program since 1982. Beginning in 1988, the City initiated a self-funded program for Worker's Compensation coverage. As part of a comprehensive plan, resources are being accumulated in the Self-Insurance Internal Service fund to meet potential losses, including reserves for case development and Incurred But

Not Reported (IBNR) claims. Various risk control techniques, including safety and accident prevention training, and outside contract services for industrial hygiene, have been utilized to minimize accident related losses. Third party coverage is maintained for excess coverage of both Worker's Compensation and Property/Liability claims.

## **COMPLIANCE WITH THE TAXPAYER BILL OF RIGHTS**

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The Colorado Constitutional Amendment passed in November 1992 (known as the TABOR – Taxpayer Bill of Rights amendment), restricts growth in governmental revenues and property tax revenues to amounts adjusted for inflation and a local growth factor. In 2009, the City did not exceed the overall revenue limitation, but did exceed the property tax revenue limitation. However, in April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the spending limit for 2006 and subsequent years until the bonded debt for the Riverside Parkway is paid in full. Therefore, the excess will be transferred to a debt service fund designated for payment of the Riverside Parkway bonds. The City also is subject to other TABOR requirements. For example, TABOR requires that no real estate transfer tax or income tax be imposed and that the City reserve 3% of its spending as an emergency reserve. The City is in compliance with these provisions. Finally, TABOR requires that the City have elections if it wishes to change its tax policy or issue general government debt.

## **AWARDS**

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The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the twenty-fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

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The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Operations Division. I would like to express my appreciation of all members of the Department who assisted in and contributed to its preparation. It should be noted that staff from other departments provide great assistance in the preparation of the report and their work is also appreciated. I thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

The City's external auditors, Chadwick, Steinkirchner, Davis & Co., P.C., are also commended for their comprehensive and efficient examination of the various funds of the City for the fiscal year ended December 31, 2009.

Respectfully submitted,



Jodi Romero  
Financial Operations Manager





# Outdoor Activities

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grand Junction  
Colorado

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



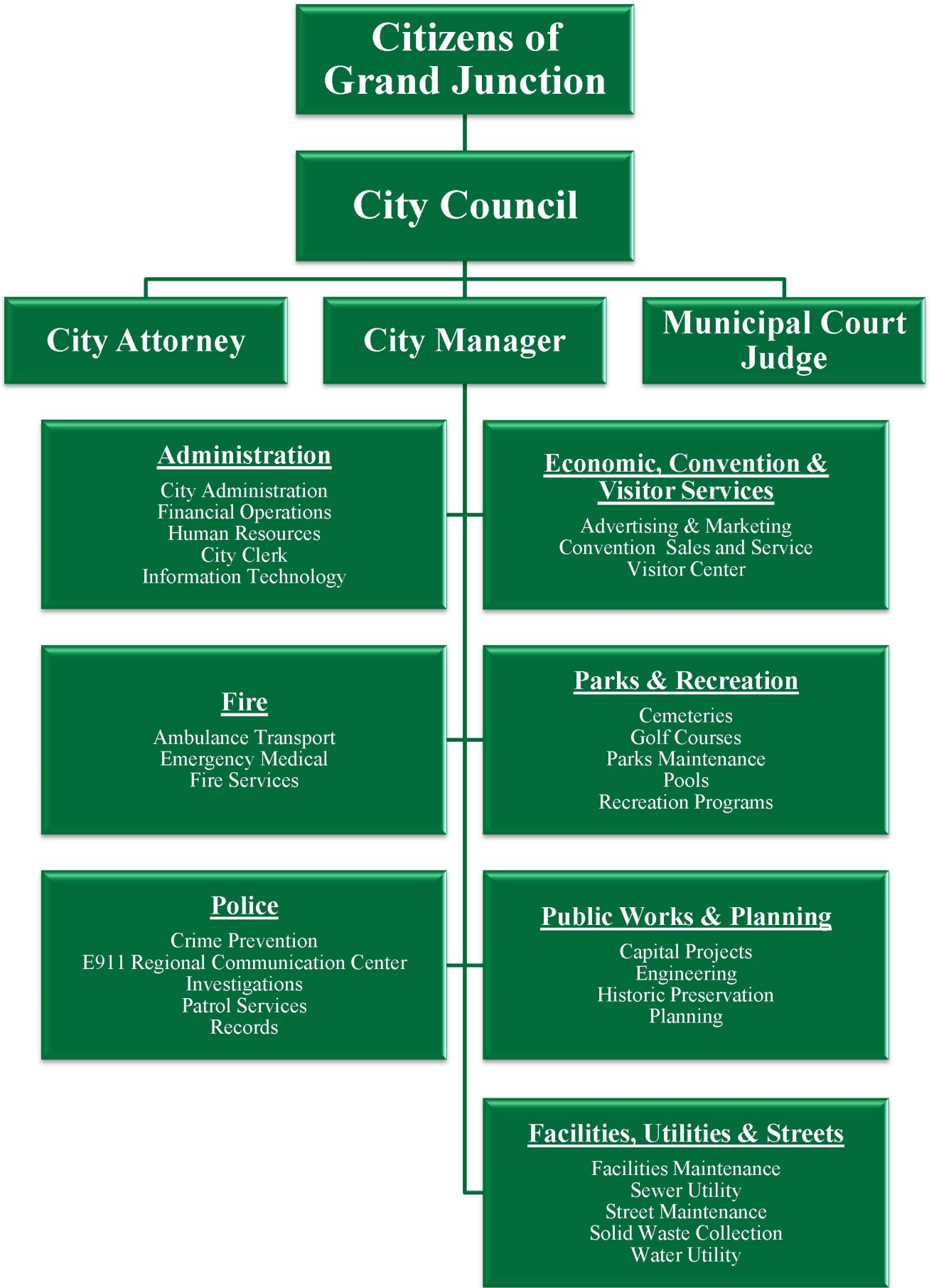
A stylized handwritten signature in black ink, appearing to be "J.R. Emer".

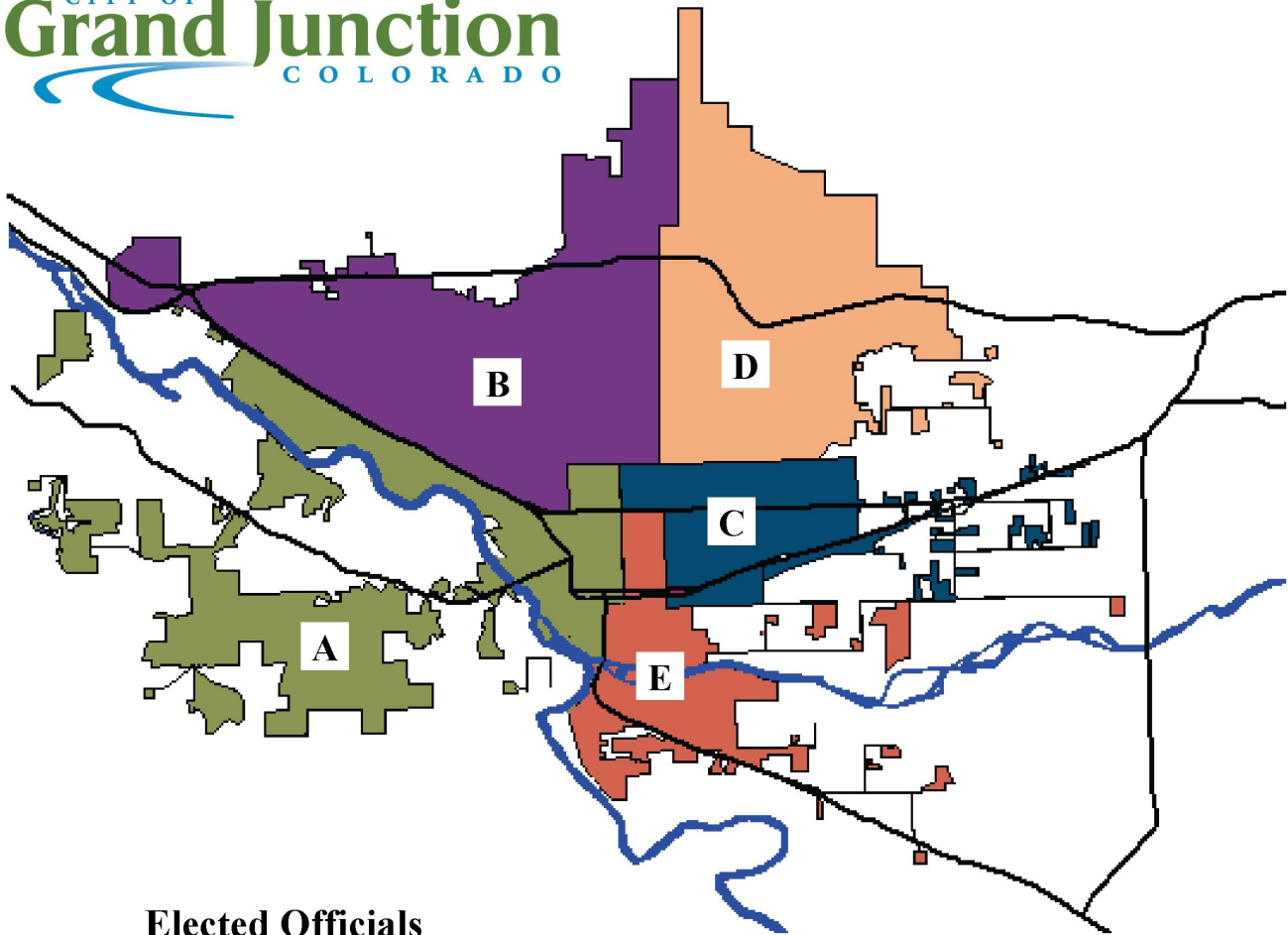
President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emer".

Executive Director







**Elected Officials**

<b><u>City Council</u></b>	<b><u>Expires</u></b>
Teresa Coons, Mayor – District E.....	May 2013
Bonnie Beckstein, Mayor Pro Tem – District D .....	May 2013
Tom Kenyon – District A.....	May 2013
Sam Susuras – District B.....	May 2011
Gregg Palmer – District C.....	May 2011
Bruce Hill – At Large .....	May 2011
Bill Pitts – At Large .....	May 2013

**Election District Boundaries**

**Appointed Officials**

Laurie M. Kadrich	City Manager
John P. Shaver	City Attorney
Caré McInnis	Municipal Judge

**Department Directors**

Rich Englehart, Deputy City Manager – Administration  
 Debbie Kovalik – Economic, Convention & Visitor Services  
 Ken Watkins – Fire Chief  
 Rob Schoeber – Parks & Recreation  
 Bill Gardner – Police Chief  
 Tim Moore – Public Works & Planning  
 Greg Trainor – Utilities, Streets & Facilities



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# **FINANCIAL SECTION**





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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 23, 2010

To the City Council

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Junction, Colorado as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the City Council  
Page Two

The management's discussion and analysis (immediately following this report) and Schedule of Funding Progress (immediately following the notes to the financial statements) are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, component unit financial statements and schedules, and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, fiduciary funds combining statements, and component financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued reports dated June 23, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Chadwick, Steinkirchner, Davis + Co., P.C.*



## MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the City of Grand Junction's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2009. Please read it in conjunction with the transmittal letter on page 3 and the City's financial statements, which begin on page 31.

### FINANCIAL HIGHLIGHTS

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- Even though the City of Grand Junction experienced significant declines in General Fund revenue in 2009, the City overall remains in good financial condition.
- General Fund revenues fell in total by 15.5% in 2009 mostly due to the unprecedented decline in sales and use tax revenues (21%). In total, General Fund revenues were \$59.9 million, falling \$10.9 million since their peak in 2008.
- As a result of the significant decline in resources, the City of Grand Junction enacted major spending reductions, including elimination of full-time positions, operating budget cuts, and deferral of capital maintenance. These measures resulted in a full 20% reduction in spending in 2009 compared to 2008.
- The assets of the City of Grand Junction exceeded its liabilities at the close of 2009 by \$620 million (net assets) primarily due to annexations. Of this amount, \$28.7 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- At the end of 2009, the unreserved and undesignated fund balance for the General Fund was \$9.1 million, or 16.2% of the total General Fund expenditures. This is down \$6.4 million from 2008 which was 27% of General Fund expenditures. The City of Grand Junction has used General Fund balance to complete major capital projects and for economic development.
- The City invested over \$23.4 million in capital projects in 2009. These projects included street construction, machinery, buildings, park development, and communications systems.
- At the close of 2009, we had \$12.2 million accumulated for the early retirement of the Riverside Parkway Revenue Bonds. The retirement amount of the bonds is \$45 million and it is projected this amount will be accumulated by 2016.

### OVERVIEW OF FINANCIAL STATEMENTS

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This discussion and analysis are intended to serve as an introduction to the City of Grand Junction's basic financial statements. The City of Grand Junction's basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Grand Junction's finances in a manner similar to a private-sector business.

*The statement of net assets* presents information on all of the City of Grand Junction's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Grand Junction is improving or deteriorating.

*The statement of activities* presents information showing how the City of Grand Junction's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid time off).

Both of the government-wide financial statements distinguish functions of the City of Grand Junction that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The

*Governmental Activities* of the City of Grand Junction include general government, public safety (police and fire), public works, parks and recreation, and urban development and housing. The *Business-type Activities* of the City of Grand Junction include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, Irrigation and Ambulance Transport.

The government-wide financial statements include not only the City of Grand Junction but also a legally separate Grand Junction Downtown Development Authority, for which the City is financially accountable. Financial information for this component is reported separately from the financial information presented for the City itself.

The government-wide financial statements can be found on pages 31 through 33 of this report.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

---

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Grand Junction also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

1. ***Governmental Funds*** – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City of Grand Junction maintains 22 governmental funds, of which (as determined by generally accepted accounting principles) the only major funds are the General Fund, Sales Tax Capital Improvement Fund, Street Assessment Capital Projects Fund and Parkway Debt Retirement Fund. The balances of the other 18 governmental funds are determined to be non-major and are included in the combining statements within this report.

The City of Grand Junction adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget. The General Fund budgetary comparison is presented as part of the basic governmental fund financial statements which can be found on pages 34 through 38 of this report. All other required budgetary comparisons, including the Sales Tax Capital Improvement Fund, Street Assessment Capital Fund and Parkway Debt Retirement Fund, are with the combining statements which can be found on pages 84 through 100 of this report.

2. ***Proprietary Funds*** – The City of Grand Junction maintains two different types of proprietary funds. The first type is enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Grand Junction uses enterprise funds to account for its Water Utility, Convention Center, Solid Waste, Pools, Golf Courses, Parking, Irrigation and Ambulance Transport.

As determined by generally accepted accounting principles, the Water, Two Rivers Convention Center, Golf Courses and Parking enterprise funds meet the criteria of major fund classification. All other funds are classified as non-major and are included in the combining statements within this report.

The second type is internal service funds which are an accounting device used to accumulate and allocate costs internally among the City of Grand Junction's various functions. The City uses internal service funds for data processing, equipment maintenance, self insurance and the communication center operations. Because these services primarily benefit governmental activities, they have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 39 through 41.

3. **Fiduciary Funds** – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting method used for these funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42 through 43.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 through 72 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Grand Junction’s Other Post Employment Healthcare Plan found on page 75 of this report. It also presents other supplement information concerning the City’s Local Highway Finance Report. This supplement information can be found on pages 163-164 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major proprietary funds, internal service funds and fiduciary funds are presented immediately following the required notes to financial statements. Combining and individual fund statements and schedules can be found beginning on page 80 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve, over time, as a useful indicator of a government’s financial position. In the case of the City of Grand Junction, assets exceed liabilities by \$620 million at the close of fiscal year 2009.

By far, the largest portion (90.4%) of the City of Grand Junction’s total net assets reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### **STATEMENT OF NET ASSETS (in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 70,136	\$ 78,974	\$ (975)	\$ 1,509	\$ 69,161	\$ 80,483
Capital assets	601,715	574,909	48,677	47,357	650,392	622,266
Total assets	<u>671,851</u>	<u>653,883</u>	<u>47,702</u>	<u>48,866</u>	<u>719,553</u>	<u>702,749</u>
Long-term debt outstanding	79,374	82,215	3,268	3,485	82,642	85,700
Other liabilities	15,846	16,530	1,228	1,113	17,074	17,643
Total liabilities	<u>95,220</u>	<u>98,745</u>	<u>4,496</u>	<u>4,598</u>	<u>99,716</u>	<u>103,343</u>
Net assets:						
Invested in capital assets, net of related debt	529,107	498,159	46,088	44,539	575,195	542,698
Restricted	15,918	14,005	-	-	15,918	14,005
Unrestricted	31,606	42,974	(2,882)	(271)	28,724	42,703
Total net assets	<u>\$576,631</u>	<u>\$555,138</u>	<u>\$43,206</u>	<u>\$44,268</u>	<u>\$619,837</u>	<u>\$599,406</u>

An additional portion of the City of Grand Junction’s net assets, 2.6%, represents resources that are subject to external restrictions on how they may be used.



## Changes in Net Assets

The City's total revenues of \$122.2 million exceeded program expenses of \$101.8 million for an increase in net assets of \$20.4 million.

### CHANGES IN NET ASSETS

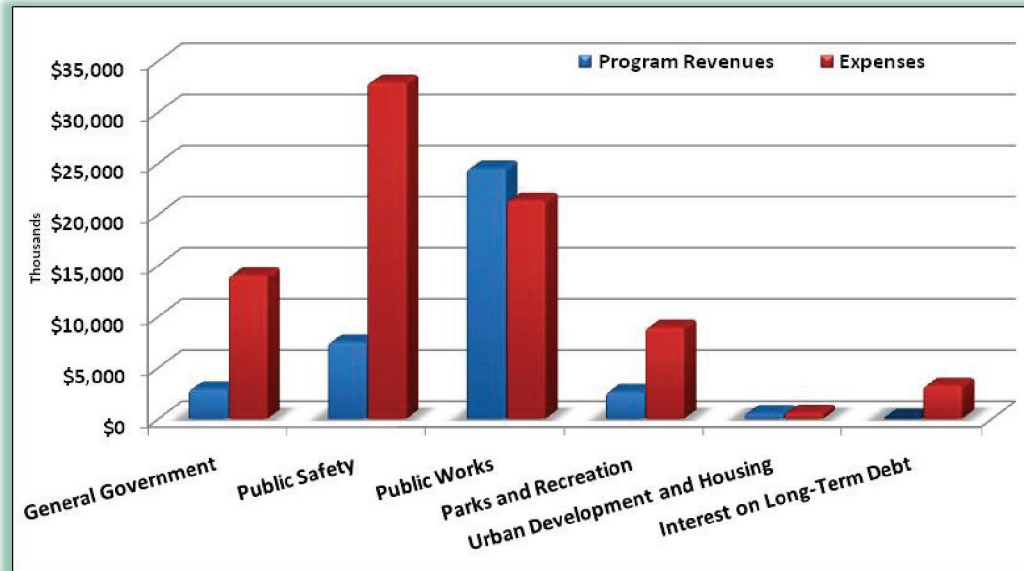
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 12,354	\$ 16,666	\$ 18,396	\$ 18,322	\$ 30,750	\$ 34,988
Operating grants	1,661	1,549	-	-	1,661	1,549
Capital grants	23,964	63,431	407	523	24,371	63,954
General revenues:						
Property taxes	8,702	8,441	-	-	8,702	8,441
Sales and use taxes	46,857	59,448	-	-	46,857	59,448
Other taxes	8,397	10,154	-	-	8,397	10,154
Other general revenues	1,374	2,874	84	230	1,458	3,104
<b>Total revenues</b>	<b>103,309</b>	<b>162,563</b>	<b>18,887</b>	<b>19,075</b>	<b>122,196</b>	<b>181,638</b>
<b>Expenses:</b>						
General government	14,022	16,143	-	-	14,022	16,143
Public safety	32,884	32,089	-	-	32,884	32,089
Public works	21,353	19,680	-	-	21,353	19,680
Parks and recreation	8,925	7,956	-	-	8,925	7,956
Urban development and housing	573	546	-	-	573	546
Interest on long-term debt	3,234	3,379	-	-	3,234	3,379
Water	-	-	5,284	5,067	5,284	5,067
Convention Center	-	-	3,396	3,514	3,396	3,514
Solid Waste Removal	-	-	4,196	2,907	4,196	2,907
Swimming pools	-	-	1,025	1,015	1,025	1,015
Golf	-	-	2,473	2,286	2,473	2,286
Parking	-	-	532	1,830	532	1,830
Irrigation systems	-	-	300	319	300	319
Ambulance transport	-	-	3,568	3,415	3,568	3,415
<b>Total expenses</b>	<b>80,991</b>	<b>79,793</b>	<b>20,774</b>	<b>20,353</b>	<b>101,765</b>	<b>100,146</b>
Excess before transfers	22,318	82,770	(1,887)	(1,278)	20,431	81,492
Transfers	(825)	(1,696)	825	1,696	-	-
<b>Increase in net assets</b>	<b>21,493</b>	<b>81,074</b>	<b>(1,062)</b>	<b>418</b>	<b>20,431</b>	<b>81,492</b>
<b>Net assets 1/1/09</b>	<b>555,138</b>	<b>474,064</b>	<b>44,268</b>	<b>43,850</b>	<b>599,406</b>	<b>517,914</b>
<b>Net assets 12/31/09</b>	<b>\$576,631</b>	<b>\$555,138</b>	<b>\$43,206</b>	<b>\$44,268</b>	<b>\$619,837</b>	<b>\$599,406</b>

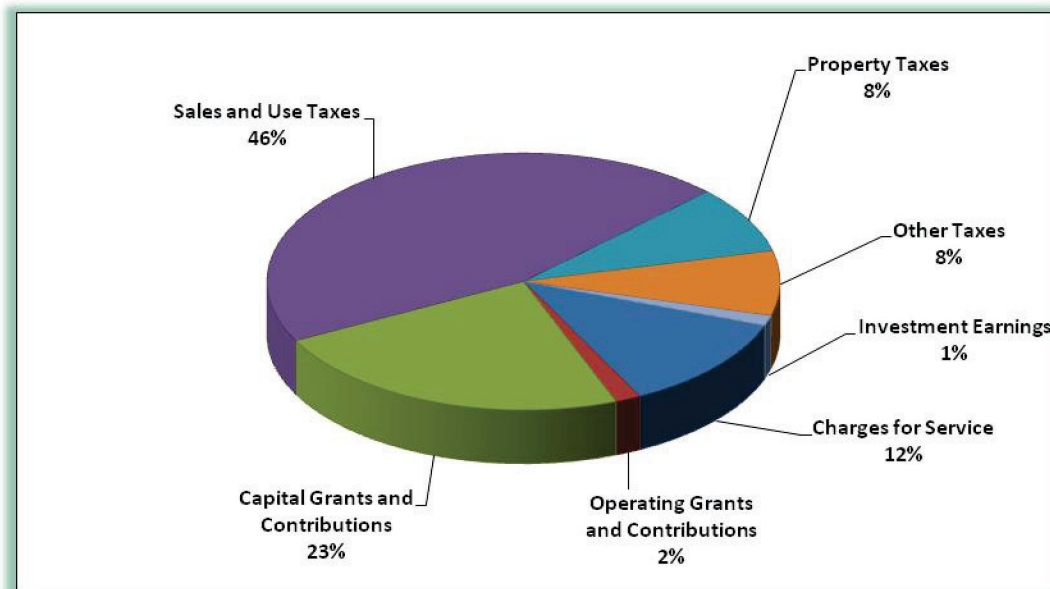
## Governmental Activities

Governmental Activities increased the City of Grand Junction’s net assets by \$21.5 million. Following are illustrative summaries of Governmental Activities breaking out revenues and expenses.

### EXPENSE AND PROGRAM REVENUES – GOVERNMENTAL ACTIVITIES



### REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Sales and use tax revenue decreased by 21% compared to 2008, primarily due to the national recession, a significant reduction of oil and gas exploration in the area, and a substantial decline in development and construction.

Property tax revenue increased by \$261 thousand, or 3.1%, during the year. This growth was attributed to increasing valuations of existing properties and additional construction. The mill levy has remained constant since 1992.

**Business-type Activities**

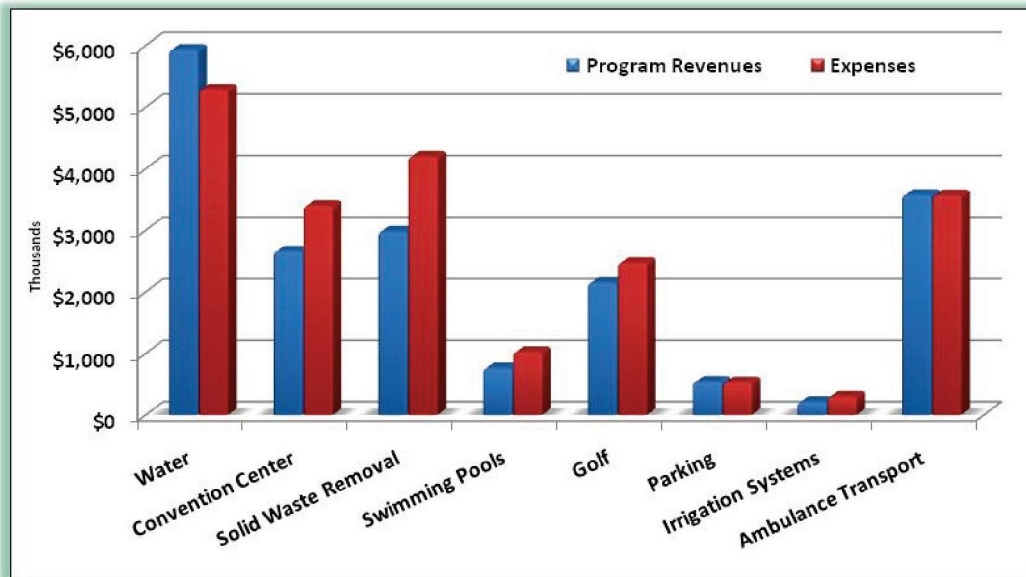
Net assets in the Business-type activities decreased by \$1 million due to expenditures (not capitalized) related to the energy conservation project in the solid waste removal fund. Business-type activities include Water, Convention Center, Solid Waste, Pools, Golf Courses, Parking, Irrigation and Ambulance Transport.

The Two Rivers Convention Center and the Pools Fund received transfers from the General Fund to subsidize operations.

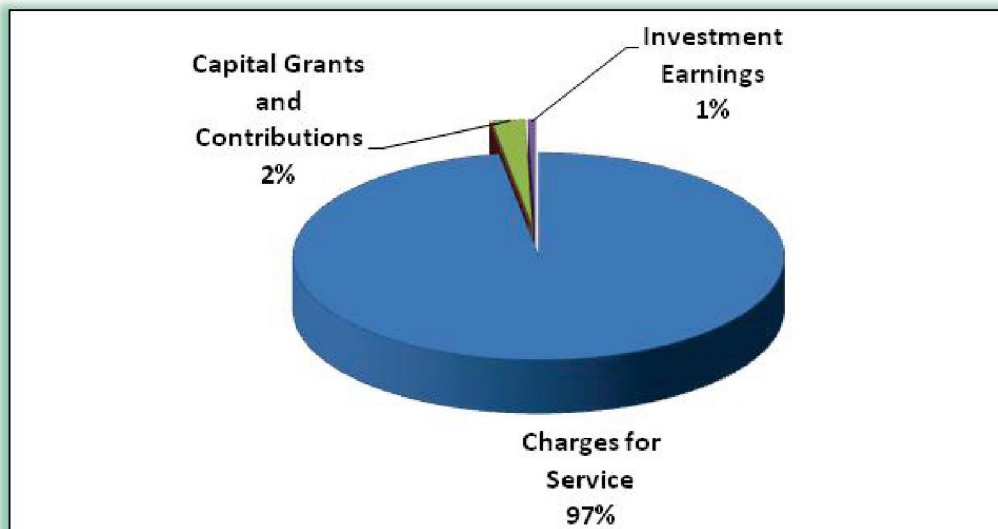
Unrestricted net assets at the end of the year for business-type activities amounted to (\$2.9) million. Total decrease in net assets for these funds was (\$1) million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Grand Junction business-type activities.

The following chart demonstrates the current level of recovery for the City’s business type activities:

**EXPENSE AND PROGRAM REVENUES – BUSINESS-TYPE ACTIVITIES**



**REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES**



## **FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS**

---

As noted earlier, the City of Grand Junction uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of December 31, 2009, the City's governmental funds (general, special revenue, debt service, capital projects and permanent) reported combined fund balances of \$39.8 million. This represents a decrease of \$6.4 million over last year's ending balances, mainly attributed to \$15.9 million in capital expenditures in the Sales Tax Capital Improvements Fund and the Storm Drainage Development Fund, which were financed through transfers from the General Fund.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

---

During the fiscal year, the General Fund spending budget was significantly reduced in response to a severe decline in revenues. All recommended revisions for budget changes came through the Financial Operations Division and City Manager to City Council as required. Any budget revisions that require supplemental appropriations at the fund level are presented to City Council via Ordinance and enactment requires a public hearing and the opportunity for public discussion. The City does allow small intra-departmental budget changes that modify line items within departments within the same fund.

The original General Fund 2009 budget appropriation totaled \$79.4 million and was reduced to a final spending budget of \$71.7 million, and thus, did not require a formal supplemental appropriation ordinance. Therefore, the original (adopted) budget presented on page 38 is also the final (adopted) budget.

For the General Fund, the original budget for revenues was \$74 million while the final actual revenues, on a budgetary basis, for 2009 came in nearly \$14 million less at \$60.9 million. Actual General Fund expenditures (including transfers) totaled \$68.5 million. The year-end budgetary basis fund balance of \$20 million was \$2.3 million below the final budgeted amount.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds, either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$4.5 million during the year. The General Fund's total fund balance decreased \$7.3 million from last year. An analysis for this fund balance shows that it represents over 31% of projected revenues for the new fiscal year which ends December 31, 2010.

Taxes continue to be the largest source of revenue in the General Fund and represent 86% of total general fund revenues. The largest element of taxes is sales taxes, as it has been for many years. It represents 67% of total tax revenues and represents 57.3% of total general fund revenues.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

---

### **Capital Assets**

At the end of 2009, the City had invested in a broad range of capital assets, including police and fire equipment, roads, parks, water, storm drainage and other infrastructure.



The following table provides a summary of total capital assets at December 31, 2009.

**CAPITAL ASSETS AT YEAR-END  
(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$281,760	\$270,275	\$ 4,943	\$ 4,936	\$286,703	\$275,211
Buildings and systems	40,498	23,114	38,830	38,371	79,328	61,485
Improvements other than buildings	16,507	16,252	1,966	2,236	18,473	18,488
Vehicles, machinery & equipment	13,047	13,939	1,373	1,444	14,420	15,383
Infrastructure	239,222	229,276	-	-	239,222	229,276
Construction in progress	10,681	22,053	1,565	370	12,246	22,423
<b>Total</b>	<b>\$601,715</b>	<b>\$574,909</b>	<b>\$48,677</b>	<b>\$47,357</b>	<b>\$650,392</b>	<b>\$622,266</b>

Major capital additions during 2009 include:

	<u>2009</u>
29 Road Viaduct	\$3,515,752
Ranchman's Ditch	3,390,924
Street and Sidewalk Improvements	2,560,219
Tiara Rado Golf Course Irrigation Renovation	1,259,450
CAD System (Communication Center)	1,086,193
Monument Road Bridge	898,009
Equipment Replacement Program	815,026
800MHz Radio Infrastructure	763,116
Canyon View Park	627,646
Colorado Avenue Reconstruction	536,441

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Note 5 on pages 56 through 58.

**Debt Administration**

The City has traditionally adhered to a conservative debt management policy that carefully controls the amount of outstanding debt. Because of our strong capital improvement budgeting process and a pay-as-you-go approach, the City of Grand Junction has been able to maintain and improve its infrastructure while avoiding unreasonable debt burdens. To take advantage of favorable rates and to shorten construction time however, the City did issue \$22.9 million in General Fund Revenue bonds in 2007 to continue construction on the Riverside Parkway project. Standard and Poor's gave the City the rating of AA- on the revenue bond issue while the City's general obligation bond ratings are A+. In 2006 Standard & Poor's upgraded the revenue bond rating to AA.

As of December 31, 2009, the City of Grand Junction had \$75.2 million in outstanding debt. Of this amount, \$72.6 million represents General Government debt. The largest portion, \$71.8 million, is the liability from the Riverside Parkway revenue bonds issued in 2004 and 2007. Special taxing districts have a combined total of \$770 thousand in debt. The remaining \$2.6 million of outstanding debt is bonds, notes and loans to be repaid by fee revenue and

appropriated funds. Total debt service payments of approximately \$4.5 million in 2010 represents 4.6% of total operating expenditures. Additional information on the City’s long-term debt can be found in Note 6 on pages 59 through 61.

The table below provides a summary of total debt at December 31, 2009.

**OUTSTANDING DEBT, AT YEAR-END**  
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation (backed by by special tax revenue)	\$ 770	\$ 935	\$ -	\$ -	\$ 770	\$ 935
Revenue bonds and notes (backed by tax and fee revenue)	71,838	75,816	-	70	71,838	75,886
Loans (backed by fee revenue)	-	-	2,589	2,747	2,589	2,747
<b>Total</b>	<b>\$72,608</b>	<b>\$76,751</b>	<b>\$2,589</b>	<b>\$2,817</b>	<b>\$75,197</b>	<b>\$79,568</b>

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

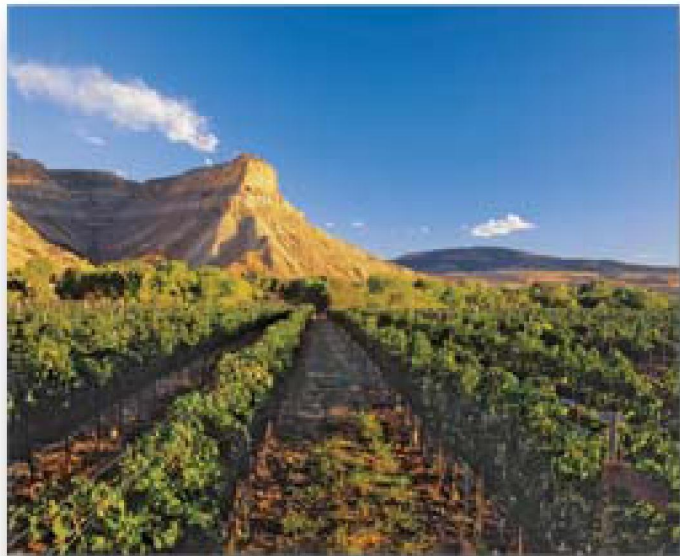
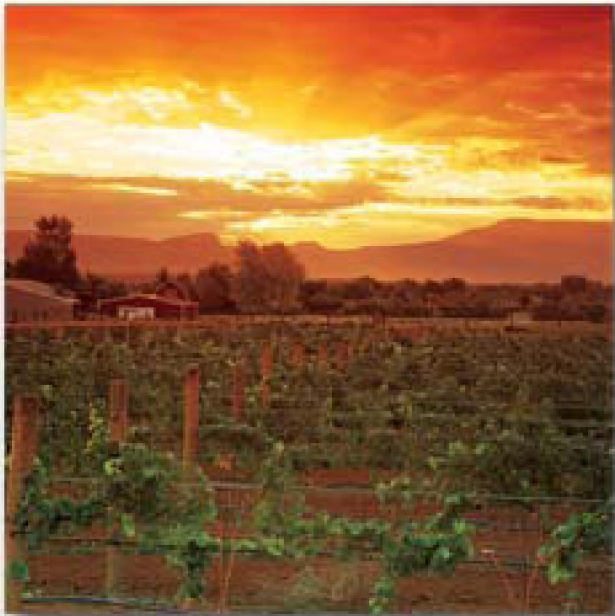
City-wide reserves are at levels required in the City’s Budget Policy. The local economy has weakened as a result of the national recession and a significant reduction in the energy industry and development and construction activity in the area. Sales and Use Taxes are declining for the first time in more than 20 years and were down by 20% for the 1<sup>st</sup> Quarter of 2010. Grand Junction continues to be the educational, retail, and medical center for most of Western Colorado and Eastern Utah. Those factors, coupled with tourism, the abundance of outdoor recreational opportunities, the expansion of Mesa State College and St Mary’s Hospital, and the ability to attract new businesses and retirees, all contribute to the relative stability of our local economy and will poise Grand Junction for recovery when the national economy and credit market begin to rebound.

General Fund balances are above the minimum working capital recommended in the City’s Budget Policy. The City’s investment in infrastructure continues to be significant as work continues on the transportation loop including the Riverside Parkway Project, 29 Road, I-70 Business Loop and Interstate 70.

Rates in the Utility Funds are set to cover operating and capital costs. In 2010, there will not be a rate increase for the utility funds. The 2010 Budget includes funding for the subsidy of the Swimming Pools fund.

**CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City’s finances and to show the City’s accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City’s Financial Operations Division at City of Grand Junction, 250 N. 5<sup>th</sup> Street, Grand Junction, CO 81501.



**Monuments**

**Mesas**

**Vineyards**





# **BASIC FINANCIAL STATEMENTS**



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City of Grand Junction  
**STATEMENT OF NET ASSETS**  
December 31, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 40,233,050	\$ 4,867,249	\$ 45,100,299	\$ 6,563,546
Other receivables, net of allowance for uncollectibles	19,766,897	2,280,370	22,047,267	2,083,751
Due from component unit	-	-	-	-
Internal balances	8,397,115	(8,397,115)	-	-
Prepays	852,315	152,097	1,004,412	-
Inventories	193,913	122,233	316,146	-
Deposits	-	-	-	395,000
Bond issue costs	693,133	-	693,133	86,773
Capital assets (net of accumulated depreciation):				
Land	281,759,977	4,942,989	286,702,966	1,445,240
Buildings and systems	40,498,249	38,829,887	79,328,136	3,313,895
Improvements other than buildings	16,507,180	1,965,827	18,473,007	360,434
Equipment	13,046,705	1,372,895	14,419,600	309,258
Infrastructure	239,221,553	-	239,221,553	-
Construction in progress	10,681,331	1,565,122	12,246,453	793,292
Total assets	<u>671,851,418</u>	<u>47,701,554</u>	<u>719,552,972</u>	<u>15,351,189</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	4,980,991	1,182,212	6,163,203	23,166
Accrued interest payable	1,130,831	45,313	1,176,144	11,656
Due to Primary Government	-	-	-	-
Unearned revenue	9,734,068	-	9,734,068	2,014,038
Noncurrent liabilities:				
Due within one year	5,098,049	211,956	5,310,005	3,015,436
Due in more than one year	74,276,290	3,056,202	77,332,492	6,315,676
Total liabilities	<u>95,220,229</u>	<u>4,495,683</u>	<u>99,715,912</u>	<u>11,379,972</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	529,106,956	46,087,527	575,194,483	6,222,119
Restricted for :				
Perpetual care:				
Nonexpendable	1,257,408	-	1,257,408	-
Debt service	12,660,593	-	12,660,593	-
Emergency reserves	2,000,000	-	2,000,000	-
Unrestricted	31,606,232	(2,881,656)	28,724,576	(2,250,902)
Total net assets	<u>\$ 576,631,189</u>	<u>\$ 43,205,871</u>	<u>\$ 619,837,060</u>	<u>\$ 3,971,217</u>

The notes to the financial statements are an integral part of this statement.



City of Grand Junction  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 14,022,155	\$ 2,639,601	\$ 248,993	\$ -
Public safety	32,884,135	6,406,830	298,728	763,692
Public works	21,353,413	1,884,073	-	22,585,435
Parks and recreation	8,924,292	1,423,145	582,286	614,660
Urban development and housing	572,726	-	531,111	-
Interest on long-term debt	3,234,231	-	-	-
Total governmental activities	<u>80,990,952</u>	<u>12,353,649</u>	<u>1,661,118</u>	<u>23,963,787</u>
Business-type Activities:				
Water	5,283,655	5,527,333	-	404,114
Convention Center	3,396,100	2,657,327	-	-
Solid Waste Removal	4,196,468	2,976,883	-	2,720
Swimming Pools	1,025,401	760,756	-	-
Golf	2,472,997	2,147,161	-	-
Parking	531,711	540,054	-	-
Irrigation Systems	300,130	212,043	-	-
Ambulance Transport	3,568,002	3,574,582	-	-
Total business-type activities	<u>20,774,464</u>	<u>18,396,139</u>	<u>-</u>	<u>406,834</u>
Total primary government	<u>\$ 101,765,416</u>	<u>\$ 30,749,788</u>	<u>\$ 1,661,118</u>	<u>\$ 24,370,621</u>
<b>Component unit:</b>				
Downtown Development Authority	<u>\$ 2,549,296</u>	<u>\$ 143,185</u>	<u>\$ 128,260</u>	<u>\$ 329,649</u>

General revenues:  
Sales & use taxes  
Property taxes  
Franchise taxes  
Highway users tax  
Other shared taxes  
Investment earnings  
Gain on sale of capital assets  
Transfers  
Total general revenues  
Change in net assets  
Net assets - beginning  
Net assets - ending

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Assets**

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Association
\$ (11,133,561)	\$ -	\$ (11,133,561)	\$ -
(25,414,885)	-	(25,414,885)	-
3,116,095	-	3,116,095	-
(6,304,201)	-	(6,304,201)	-
(41,615)	-	(41,615)	-
<u>(3,234,231)</u>	<u>-</u>	<u>(3,234,231)</u>	<u>-</u>
<u>(43,012,398)</u>	<u>-</u>	<u>(43,012,398)</u>	<u>-</u>
-	647,792	647,792	-
-	(738,773)	(738,773)	-
-	(1,216,865)	(1,216,865)	-
-	(264,645)	(264,645)	-
-	(325,836)	(325,836)	-
-	8,343	8,343	-
-	(88,087)	(88,087)	-
-	6,580	6,580	-
<u>-</u>	<u>(1,971,491)</u>	<u>(1,971,491)</u>	<u>-</u>
\$ <u>(43,012,398)</u>	\$ <u>(1,971,491)</u>	\$ <u>(44,983,889)</u>	\$ <u>-</u>
-	-	-	(1,948,202)
46,856,622	-	46,856,622	-
8,701,650	-	8,701,650	2,179,436
2,432,704	-	2,432,704	-
1,940,291	-	1,940,291	-
4,024,160	-	4,024,160	-
1,299,123	84,165	1,383,288	119,057
75,592	-	75,592	-
<u>(824,955)</u>	<u>824,955</u>	<u>-</u>	<u>-</u>
<u>64,505,187</u>	<u>909,120</u>	<u>65,414,307</u>	<u>2,298,493</u>
21,492,789	(1,062,371)	20,430,418	350,291
555,138,400	44,268,242	599,406,642	3,620,926
\$ <u>576,631,189</u>	\$ <u>43,205,871</u>	\$ <u>619,837,060</u>	\$ <u>3,971,217</u>

City of Grand Junction  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2009

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Street Assessment Capital Projects Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 4,840,105	\$ -	\$ 1,920,866	\$ 12,186,977	\$ 7,592,258	\$ 26,540,206
Interest receivable	221,489	-	-	-	-	221,489
Accounts receivable, net of allowances						
for uncollectibles	451,314	25,105	-	-	1,205,489	1,681,908
Taxes receivable	12,083,452	1,111,338	-	-	322,062	13,516,852
Special assessments receivable	-	137,184	-	-	-	137,184
Due from other funds	3,552,988	-	-	-	-	3,552,988
Prepaid Items	47	852,268	-	-	-	852,315
Inventories	193,913	-	-	-	-	193,913
Advances to other funds	7,207,186	-	-	-	-	7,207,186
Intergovernmental receivables	1,583,501	730,075	-	-	2,911	2,316,487
Total assets	<u>\$ 30,133,995</u>	<u>\$ 2,855,970</u>	<u>\$ 1,920,866</u>	<u>\$ 12,186,977</u>	<u>\$ 9,122,720</u>	<u>\$ 56,220,528</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 835,678	\$ 940,599	\$ 1,097,860	\$ -	\$ 313,047	\$ 3,187,184
Accrued liabilities	1,015,010	59,832	-	-	19,916	1,094,758
Due to other funds	-	1,433,978	-	-	903,215	2,337,193
Deferred revenue	9,119,884	421,561	-	-	212,553	9,753,998
Total liabilities	<u>10,970,572</u>	<u>2,855,970</u>	<u>1,097,860</u>	<u>-</u>	<u>1,448,731</u>	<u>16,373,133</u>
Fund balances:						
Reserved for:						
Prepays and Inventories	193,960	852,268	-	-	-	1,046,228
Advances	7,207,186	-	-	-	-	7,207,186
Perpetual care	-	-	-	-	1,257,408	1,257,408
Debt service	188,479	-	-	12,186,977	285,137	12,660,593
Emergency	2,000,000	-	-	-	-	2,000,000
Unreserved:						
Designated for subsequent year's expenditures-						
General fund	459,011	-	-	-	-	459,011
Special revenue funds	-	-	-	-	1,341,481	1,341,481
Capital projects funds	-	-	379,551	-	1,091,200	1,470,751
Undesignated, reported in:						
General fund	9,114,787	-	-	-	-	9,114,787
Special revenue funds	-	-	-	-	3,227,735	3,227,735
Capital projects funds	-	(852,268)	443,455	-	471,028	62,215
Total fund balances	<u>19,163,423</u>	<u>-</u>	<u>823,006</u>	<u>12,186,977</u>	<u>7,673,989</u>	<u>39,847,395</u>
Total liabilities and fund balances	<u>\$ 30,133,995</u>	<u>\$ 2,855,970</u>	<u>\$ 1,920,866</u>	<u>\$ 12,186,977</u>	<u>\$ 9,122,720</u>	<u>\$ 56,220,528</u>

The notes to the financial statements are an integral part of this statement.



City of Grand Junction  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET ASSETS**  
 December 31, 2009

Amounts reported for governmental activities on the statement of net assets (page 31) are different because:

Total fund balance - governmental funds (page 34)	\$	39,847,395
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		587,529,823
Long-term assets are not available to pay current expenditures, and therefore, are deferred in the funds.		19,930
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, self-insurance activities, and communication services to individual funds. The assets \$29,770,992 and liabilities (\$3,268,926) of the internal service funds are included in governmental activities in the statement of net assets.		26,502,066
Interfund for internal service fund allocated to business-type activities.		110,101
Long-term liabilities including bonds and notes payable, capital leases, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	\$	(770,000)
Revenue bonds		(69,110,000)
Bond premium (to be amortized over life of debt)		(2,728,039)
Deferred charge for issue costs (to be amortized over life of debt)		693,133
Net pension obligation		(878,832)
Accrued interest payable		(1,130,831)
Compensated absences		(3,026,449)
Other Post Employment Benefit Obligation		(427,108)
		(77,378,126)
 Total net assets - governmental activities	 \$	 <u><u>576,631,189</u></u>

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2009

	General Fund	Sales Tax Capital Improvements Capital Projects Fund	Street Assessment Capital Projects Fund	Parkway Debt Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
<b>Taxes:</b>					\$ 197,862	\$ 8,701,650
Property	\$ 8,503,788	\$ -	\$ -	\$ -	1,797,336	46,856,622
Sales and use	34,331,003	10,728,283	-	-	-	2,432,704
Franchise	2,432,704	-	-	-	-	3,127,698
Severance	3,127,698	-	-	-	-	2,836,753
Other	2,836,753	-	-	-	-	121,783
Licenses and permits	121,783	-	-	-	1,441,867	4,955,308
Intergovernmental revenues	1,106,002	2,407,439	-	-	1,453,325	8,311,362
Charges for services	5,798,882	80,014	979,141	-	11,775	945,666
Fines and forfeitures	933,891	-	-	-	-	92,198
Special assessments	-	92,198	-	-	163,254	984,031
Investment earnings	588,823	9,475	22,610	199,869	102,305	136,935
Other income	17,621	17,009	-	-	118,618	196,833
Other contributions	67,515	10,700	-	-	5,286,342	79,699,543
<b>Total revenues</b>	<u>59,866,463</u>	<u>13,345,118</u>	<u>1,001,751</u>	<u>199,869</u>	<u>5,286,342</u>	<u>79,699,543</u>
<b>EXPENDITURES</b>						
<b>Current:</b>					4,293,161	13,793,482
General government	9,500,321	-	-	-	-	29,092,018
Public safety	29,092,018	-	-	-	-	9,954,111
Public works	9,954,111	-	-	-	-	7,347,609
Parks and recreation	7,347,609	-	-	-	332,981	572,726
Urban development and housing	239,745	-	-	-	3,695,000	3,883,479
<b>Debt service:</b>					3,508,632	3,508,632
Principal retirement	188,479	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	4,507,027	16,879,724
<b>Capital outlay:</b>		12,372,697	-	-	16,336,801	85,031,781
Construction	-	12,372,697	-	-	-	-
<b>Total expenditures</b>	<u>56,322,283</u>	<u>12,372,697</u>	<u>-</u>	<u>-</u>	<u>16,336,801</u>	<u>85,031,781</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	3,544,180	972,421	1,001,751	199,869	(11,050,459)	(5,332,238)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	339,362	9,785,618	-	2,612,854	11,957,256	24,695,090
Transfers out	(12,176,062)	(10,758,039)	(385,531)	-	(2,426,335)	(25,745,967)
<b>Total other financing sources and uses</b>	<u>(11,836,700)</u>	<u>(972,421)</u>	<u>(385,531)</u>	<u>2,612,854</u>	<u>9,530,921</u>	<u>(1,050,877)</u>
<b>Net change in fund balances</b>	(8,292,520)	-	616,220	2,812,723	(1,519,538)	(6,383,115)
Fund balances -- beginning	27,455,943	-	206,786	9,374,254	9,193,527	46,230,510
Fund balances -- ending	<u>\$ 19,163,423</u>	<u>\$ -</u>	<u>\$ 823,006</u>	<u>\$ 12,186,977</u>	<u>\$ 7,673,989</u>	<u>\$ 39,847,395</u>

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
 For the Year Ended December 31, 2009

Amounts reported for governmental activities in the statement of activities (page 33)  
 are different because:

Net change in fund balances - total governmental funds (page 36)	\$	(6,383,115)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$16,951,201 exceeded depreciation (\$10,711,086) in the current period.		6,240,115
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and disposals) is to decrease net assets.		(853,974)
The net effect of the donation of capital assets is to increase net assets.		20,447,190
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,746
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, this transaction has no effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal payments	\$	3,695,000
Bond Premium (to be amortized over the life of debt)		447,762
Deferred charge for bond issuance cost		(45,812)
Decrease in accrued interest		60,930
Increase in net pension obligation		(222,364)
Decrease in compensated absences		71,007
Increase in other post employment benefit obligation		(252,753)
		3,753,770
Internal service funds are used by management to charge the costs of data processing, equipment acquisition, operation & maintenance, central stores and printing, self-insurance activities, and communication services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		
Revenues from external customers	\$	2,769,253
Expenses due to external customers		(3,315,571)
Gain on disposition of property		75,592
Investment income		315,092
Operating loss from operations		(1,558,309)
		(1,713,943)
Change in net assets of governmental activities (page 33)	\$	21,492,789

The notes to the financial statements are an integral part of this statement.

City of Grand Junction  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
For the Year Ended December 31, 2009

	<u>Original and Final Budgeted Amounts</u>	<u>Actual GAAP Basis Amounts</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>					
<b>Taxes:</b>					
Property	\$ 8,443,836	\$ 8,503,788	\$ -	\$ 8,503,788	\$ 59,952
Sales and use	47,913,410	34,331,003	994,233	35,325,236	(12,588,174)
Franchise	2,543,161	2,432,704	-	2,432,704	(110,457)
Severance	5,000,000	3,127,698	-	3,127,698	(1,872,302)
Other	2,329,345	2,836,753	(40,439)	2,796,314	466,969
Licenses and permits	119,590	121,783	-	121,783	2,193
Intergovernmental revenues	365,115	1,106,002	-	1,106,002	740,887
Charges for services	5,301,483	5,798,882	-	5,798,882	497,399
Fines and forfeitures	1,007,300	933,891	-	933,891	(73,409)
Investment earnings	982,099	588,823	50,189	639,012	(343,087)
Other income	-	17,621	-	17,621	17,621
Other contributions	40,600	67,515	-	67,515	26,915
Total revenues	<u>74,045,939</u>	<u>59,866,463</u>	<u>1,003,983</u>	<u>60,870,446</u>	<u>(13,175,493)</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government:					
Administration	8,093,825	6,210,256	-	6,210,256	1,883,569
Community development	4,259,648	3,290,065	-	3,290,065	969,583
Total general government	<u>12,353,473</u>	<u>9,500,321</u>	<u>-</u>	<u>9,500,321</u>	<u>2,853,152</u>
Public safety:					
Police protection	19,085,154	18,253,208	-	18,253,208	831,946
Fire protection	12,296,049	10,838,810	-	10,838,810	1,457,239
Total public safety	<u>31,381,203</u>	<u>29,092,018</u>	<u>-</u>	<u>29,092,018</u>	<u>2,289,185</u>
Public works:					
Public works	13,129,959	9,954,111	-	9,954,111	3,175,848
Parks and recreation	7,909,523	7,347,609	-	7,347,609	561,914
Urban development and housing	269,823	239,745	-	239,745	30,078
Debt service:					
Principal retirement	188,479	188,479	-	188,479	-
Total debt service	<u>188,479</u>	<u>188,479</u>	<u>-</u>	<u>188,479</u>	<u>-</u>
Total expenditures	<u>65,232,460</u>	<u>56,322,283</u>	<u>-</u>	<u>56,322,283</u>	<u>8,910,177</u>
Excess (deficiency) of revenues over (under) expenditures	8,813,479	3,544,180	1,003,983	4,548,163	(4,265,316)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	276,911	339,362	-	339,362	62,451
Transfers out	(14,211,887)	(12,176,062)	-	(12,176,062)	2,035,825
Sale of Capital assets	15,000	-	-	-	(15,000)
Total other financing sources and uses	<u>(13,919,976)</u>	<u>(11,836,700)</u>	<u>-</u>	<u>(11,836,700)</u>	<u>2,083,276</u>
Net change in fund balances	(5,106,497)	(8,292,520)	1,003,983	(7,288,537)	(2,182,040)
Fund balances -- beginning	27,455,943	27,455,943	-	27,315,231	(140,712)
Fund balances -- ending	<u>\$ 22,349,446</u>	<u>\$ 19,163,423</u>	<u>\$ 1,003,983</u>	<u>\$ 20,026,694</u>	<u>\$ (2,322,752)</u>

The notes to the financial statements are an integral part of this statement.



City of Grand Junction, Colorado  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
December 31, 2009

	Business-Type Activities - Enterprise Funds						Governmental Activities- Internal Service Funds
	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 2,686,004	\$ -	\$ 212,322	\$ 1,079,809	\$ 889,114	\$ 4,867,249	\$ 13,692,844
Accounts receivable, net of allowance	353,378	208,250	95,846	2,747	1,517,177	2,177,398	720,739
Intergovernmental receivable	55,641	1,120	-	-	46,211	102,972	1,172,238
Prepaid items	-	-	-	-	152,097	152,097	-
Inventory	-	-	122,233	-	-	122,233	-
Total current assets	<u>3,095,023</u>	<u>209,370</u>	<u>430,401</u>	<u>1,082,556</u>	<u>2,604,599</u>	<u>7,421,949</u>	<u>15,585,821</u>
Noncurrent assets:							
Capital assets:							
Land	2,547,757	153,001	891,356	1,350,875	-	4,942,989	-
Buildings, improvements, plant and system	40,230,631	9,136,059	3,901,144	5,200,888	8,289,268	66,757,990	2,473,676
Equipment	530,349	601,488	213,991	316,278	1,632,861	3,294,967	27,539,029
Construction in progress	255,162	-	1,259,450	-	50,510	1,565,122	1,936,954
Less accumulated depreciation	<u>(15,103,722)</u>	<u>(2,551,018)</u>	<u>(2,668,730)</u>	<u>(672,557)</u>	<u>(6,888,321)</u>	<u>(27,884,348)</u>	<u>(17,764,488)</u>
Total capital assets (net of accumulated depreciation)	<u>28,460,177</u>	<u>7,339,530</u>	<u>3,597,211</u>	<u>6,195,484</u>	<u>3,084,318</u>	<u>48,676,720</u>	<u>14,185,171</u>
Total noncurrent assets	<u>28,460,177</u>	<u>7,339,530</u>	<u>3,597,211</u>	<u>6,195,484</u>	<u>3,084,318</u>	<u>48,676,720</u>	<u>14,185,171</u>
Total assets	<u>31,555,200</u>	<u>7,548,900</u>	<u>4,027,612</u>	<u>7,278,040</u>	<u>5,688,917</u>	<u>56,098,669</u>	<u>29,770,992</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	112,991	117,106	242,719	2,284	524,215	999,315	588,156
Accrued liabilities	68,322	28,144	25,304	1,969	59,158	182,897	87,322
Accrued interest payable	45,313	-	-	-	-	45,313	-
Compensated absences payable	19,360	5,656	7,413	840	15,145	48,414	23,571
Claims payable	-	-	-	-	-	-	808,507
Current portion of promissory notes payable	163,542	-	-	-	-	163,542	-
Due to other funds	-	64,120	170,970	241,946	602,792	1,079,828	135,967
Total current liabilities	<u>409,528</u>	<u>215,026</u>	<u>446,406</u>	<u>247,039</u>	<u>1,201,310</u>	<u>2,519,309</u>	<u>1,643,523</u>
Noncurrent liabilities:							
Compensated absences payable	252,143	73,668	96,546	10,944	197,250	630,551	306,980
Claims payable	-	-	-	-	-	-	1,318,423
Advances from other funds - general fund	-	-	1,259,450	4,723,155	1,224,581	7,207,186	-
Promissory notes payable	2,425,651	-	-	-	-	2,425,651	-
Total noncurrent liabilities	<u>2,677,794</u>	<u>73,668</u>	<u>1,355,996</u>	<u>4,734,099</u>	<u>1,421,831</u>	<u>10,263,388</u>	<u>1,625,403</u>
Total liabilities	<u>3,087,322</u>	<u>288,694</u>	<u>1,802,402</u>	<u>4,981,138</u>	<u>2,623,141</u>	<u>12,782,697</u>	<u>3,268,926</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	25,870,984	7,339,530	3,597,211	6,195,484	3,084,318	46,087,527	14,185,171
Unrestricted	2,596,894	(79,324)	(1,372,001)	(3,898,582)	(18,542)	(2,771,555)	12,316,895
Total net assets	<u>28,467,878</u>	<u>7,260,206</u>	<u>2,225,210</u>	<u>2,296,902</u>	<u>3,065,776</u>	<u>43,315,972</u>	<u>\$ 26,502,066</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:							
Current year	(34,601)	(8,410)	(15,196)	(1,825)	(50,069)	(110,101)	
Total net assets - business-type activities	<u>\$ 28,433,277</u>	<u>\$ 7,251,796</u>	<u>\$ 2,210,014</u>	<u>\$ 2,295,077</u>	<u>\$ 3,015,707</u>	<u>\$ 43,205,871</u>	

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2009

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
<b>Operating revenues:</b>							
Charges for sales and services	\$ 5,271,332	\$ 2,657,327	\$ 2,147,161	\$ 540,054	\$ 7,442,820	\$ 18,058,694	\$ 11,140,481
Other income	-	-	-	-	-	-	866,984
Total operating revenues	<u>5,271,332</u>	<u>2,657,327</u>	<u>2,147,161</u>	<u>540,054</u>	<u>7,442,820</u>	<u>18,058,694</u>	<u>12,007,465</u>
<b>Operating expenses:</b>							
Personnel services	2,591,042	1,658,310	1,210,374	147,553	3,389,289	8,996,568	6,665,620
Costs of sales and services	1,708,596	1,469,425	1,112,351	83,016	5,268,926	9,642,314	6,595,877
Depreciation and amortization	835,306	259,955	135,076	143,317	358,031	1,731,685	2,374,975
Total operating expenses	<u>5,134,944</u>	<u>3,387,690</u>	<u>2,457,801</u>	<u>373,886</u>	<u>9,016,246</u>	<u>20,370,567</u>	<u>15,636,472</u>
Operating income (loss)	<u>136,388</u>	<u>(730,363)</u>	<u>(310,640)</u>	<u>166,168</u>	<u>(1,573,426)</u>	<u>(2,311,873)</u>	<u>(3,629,007)</u>
<b>Nonoperating revenues (expenses):</b>							
Intergovernmental	303,141	-	-	-	84,164	387,305	1,130,857
Miscellaneous	49,860	-	-	-	-	49,860	57,500
Investment income	46,224	-	(1,364)	24,622	14,683	84,165	315,092
Gain (loss) on disposition of property and equipment	-	-	-	-	-	-	75,592
Interest expense	(114,110)	-	-	(156,000)	(23,686)	(293,796)	-
Total nonoperating revenues (expenses)	<u>285,115</u>	<u>-</u>	<u>(1,364)</u>	<u>(131,378)</u>	<u>75,161</u>	<u>227,534</u>	<u>1,579,041</u>
<b>Income (loss) before contributions and transfers</b>							
<b>operating transfers</b>	421,503	(730,363)	(312,004)	34,790	(1,498,265)	(2,084,339)	(2,049,966)
Capital contributions - tap fees	104,714	-	-	-	-	104,714	-
Contributed capital	202,400	-	-	-	-	202,400	-
Transfers in	-	501,151	1,071,143	-	126,554	1,698,848	710,436
Transfers out	-	-	-	-	(873,893)	(873,893)	(484,514)
Change in net assets	<u>728,617</u>	<u>(229,212)</u>	<u>759,139</u>	<u>34,790</u>	<u>(2,245,604)</u>	<u>(952,270)</u>	<u>(1,824,044)</u>
Total net assets - beginning	<u>27,739,261</u>	<u>7,489,418</u>	<u>1,466,071</u>	<u>2,262,112</u>	<u>5,311,380</u>	<u>44,268,242</u>	<u>28,326,110</u>
Total net assets - ending	<u>28,467,878</u>	<u>7,260,206</u>	<u>2,225,210</u>	<u>2,296,902</u>	<u>3,065,776</u>	<u>43,315,972</u>	<u>\$ 26,502,066</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:	(34,601)	(8,410)	(15,196)	(1,825)	(50,069)	(110,101)	
	<u>\$ 28,433,277</u>	<u>\$ 7,251,796</u>	<u>\$ 2,210,014</u>	<u>\$ 2,295,077</u>	<u>\$ 3,015,707</u>	<u>\$ 43,205,871</u>	

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2009

Business-Type Activities - Enterprise Funds

	Water Fund	Two Rivers Convention Center Fund	Golf Courses Fund	Parking Fund	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
<b>Cash flows from operating activities:</b>							
Cash received from interfund	\$ 623,065	\$ -	\$ -	\$ -	\$ -	\$ 623,065	\$ 9,482,456
Cash received from customers and users	4,658,237	2,741,582	2,051,426	541,252	6,040,991	16,033,488	1,697,040
Cash paid to interfund	(750,262)	(182,351)	(329,499)	(39,579)	(1,085,651)	(2,387,342)	(360,727)
Cash paid to suppliers	(872,793)	(1,380,979)	(806,211)	(57,036)	(2,820,809)	(5,937,828)	(4,972,332)
Cash paid to employees	(2,637,157)	(1,714,291)	(1,224,384)	(148,017)	(3,471,282)	(9,195,131)	(6,888,421)
Miscellaneous receipts	-	-	-	-	-	-	155,819
Net cash provided (used) by operating activities	<u>1,021,090</u>	<u>(536,039)</u>	<u>(308,668)</u>	<u>296,620</u>	<u>(1,336,751)</u>	<u>(863,748)</u>	<u>(886,165)</u>
<b>Cash flows from noncapital financing activities:</b>							
Transfers from other funds	-	501,151	199,487	-	126,554	827,192	710,436
Transfers to other funds	-	-	-	-	(2,237)	(2,237)	(484,514)
Increase (decrease) in amount due other funds	-	60,586	143,589	(62,391)	274,006	415,790	135,967
Intergovernmental receipts	320,098	-	-	-	94,915	415,013	-
Miscellaneous nonoperating receipts	49,860	-	-	-	-	49,860	-
Net cash provided by noncapital financing activities	<u>369,958</u>	<u>561,737</u>	<u>343,076</u>	<u>(62,391)</u>	<u>493,238</u>	<u>1,705,618</u>	<u>361,889</u>
<b>Cash flows from capital and related financing activities:</b>							
Tap fees	104,714	-	-	-	-	104,714	-
Principal payments:							
Promissory notes	(232,186)	-	-	-	-	(232,186)	-
Proceeds of interfund capital loans	-	-	-	-	1,140,982	1,140,982	-
Advances (Repayment) of interfund capital loans	-	-	1,088,480	(172,508)	(157,906)	758,066	-
Interest paid	(117,331)	-	-	(156,000)	(23,686)	(297,017)	-
Proceeds from disposition of capital assets	-	-	-	-	-	-	5,828
Purchase of capital assets	(1,224,614)	(25,698)	(1,112,559)	(108,485)	(116,652)	(2,588,008)	(3,287,628)
Intergovernmental receipts	-	-	-	-	-	-	329,626
Miscellaneous capital receipts	-	-	-	-	-	-	57,500
Net cash used in capital and related financing activities	<u>(1,469,417)</u>	<u>(25,698)</u>	<u>(24,079)</u>	<u>(436,993)</u>	<u>842,738</u>	<u>(1,113,449)</u>	<u>(2,894,674)</u>
<b>Cash flows from investing activities:</b>							
Investment income received	46,224	-	(1,364)	24,622	14,683	84,165	315,092
Net cash provided by investing activities	<u>46,224</u>	<u>-</u>	<u>(1,364)</u>	<u>24,622</u>	<u>14,683</u>	<u>84,165</u>	<u>315,092</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(32,145)	-	8,965	(178,142)	13,908	(187,414)	(3,103,858)
Cash and cash equivalents, January 1	2,718,149	-	203,357	1,257,951	875,206	5,054,663	16,796,702
Cash and cash equivalents, December 31	<u>\$ 2,686,004</u>	<u>\$ -</u>	<u>\$ 212,322</u>	<u>\$ 1,079,809</u>	<u>\$ 889,114</u>	<u>\$ 4,867,249</u>	<u>\$ 13,692,844</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>							
Operating income (loss)	\$ 136,388	\$ (730,363)	\$ (310,640)	\$ 166,168	\$ (1,573,426)	\$ (2,311,873)	\$ (3,629,007)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	835,306	259,955	135,076	143,317	358,031	1,731,685	2,374,975
(Increase) decrease in accounts receivable	9,970	84,255	(95,735)	1,198	(142,248)	(142,560)	(672,150)
(Increase) decrease in inventory	-	-	(31,019)	-	-	(31,019)	-
(Increase) decrease in prepaid items	169,729	-	-	-	(152,097)	17,632	-
Increase (decrease) in accounts payable	(17,494)	(93,905)	196,168	(91,797)	335,036	328,008	346,236
Increase (decrease) in claims payable	-	-	-	-	-	-	906,250
Increase (decrease) in accrued liabilities and compensated absences payable	(46,115)	(55,981)	(14,010)	(464)	(81,993)	(198,563)	(222,801)
(Increase) decrease in accounts payable due to the purchase of capital assets on account	(66,694)	-	(188,508)	78,198	(80,054)	(257,058)	10,332
Total adjustments	<u>884,702</u>	<u>194,324</u>	<u>1,972</u>	<u>130,452</u>	<u>236,675</u>	<u>1,448,125</u>	<u>2,742,842</u>
Net cash provided (used) by operating activities	<u>\$ 1,021,090</u>	<u>\$ (536,039)</u>	<u>\$ (308,668)</u>	<u>\$ 296,620</u>	<u>\$ (1,336,751)</u>	<u>\$ (863,748)</u>	<u>\$ (886,165)</u>
<b>Noncash Investing, Capital and Financing Activities</b>							
Purchase of capital assets on account	\$ 68,645	\$ -	\$ 188,508	\$ -	\$ 80,054	\$ 337,207	\$ 58,809
Capital Contributions	202,400	-	-	-	-	202,400	-
Net book value of capital assets traded in on capital assets acquired	-	-	-	-	-	-	105,610
Trade in value of disposed assets	-	-	-	-	-	-	179,644
Transfer of non-cash assets from other funds	-	-	871,656	-	-	871,656	-
Transfer of non-cash assets to other funds	-	-	-	-	871,656	871,656	-

The notes to the financial statements are an integral part of this statement.

City of Grand Junction, Colorado  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
December 31, 2009

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund	Agency Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 54,042	\$ 73,649	\$ 14,779,916	\$ 963,232
Investments				
Short term investments	583,420	-	-	-
U.S. Government securities	938,664	-	-	-
Corporate bonds	1,776,901	-	-	-
Domestic equity securities	4,330,291	-	-	-
International securities	2,320,139	-	-	-
Venture capital	1,307,722	-	-	-
Real estate	479,926	-	-	-
Securities lending investment pool	514,124	-	-	-
Total assets	<u>12,305,229</u>	<u>73,649</u>	<u>14,779,916</u>	<u>963,232</u>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	17,577
Due to other governments	-	-	-	945,655
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 963,232</u>
<b>NET ASSETS</b>				
Held in trust for:				
External investment pool participants	-	-	14,779,916	
Pension benefits	12,305,229	-	-	
Individuals, organizations and others	-	73,649	-	
Total net assets	<u>\$ 12,305,229</u>	<u>\$ 73,649</u>	<u>\$ 14,779,916</u>	

The notes to the financial statements are an integral part of this statement.



City of Grand Junction, Colorado  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
For the Year Ended December 31, 2009

	Pension Trust Funds	Private Purpose Trust Funds	Joint Sewer Investment Trust Fund
<b>ADDITIONS</b>			
Additions by participants	\$ -	\$ 480,893	\$ 14,228,081
Employer contributions	618,941	-	-
Plan members contributions	1,867	-	-
Total contributions	<u>620,808</u>	<u>480,893</u>	<u>14,228,081</u>
Investment earnings:			
Interest	82,346	25,351	292,342
Net increase (decrease) in fair value of investments	<u>2,085,483</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>2,167,829</u>	<u>25,351</u>	<u>292,342</u>
Total additions	<u>2,788,637</u>	<u>506,244</u>	<u>14,520,423</u>
<b>DEDUCTIONS</b>			
Distributions to participants	-	1,295,061	9,660,457
Health insurance premiums paid	-	323,349	-
Benefits and refunds	1,790,897	-	-
Administrative expenses	88,601	4,283	-
Total deductions	<u>1,879,498</u>	<u>1,622,693</u>	<u>9,660,457</u>
Change in net assets	909,139	(1,116,449)	4,859,966
Net assets available - beginning	11,396,090	1,190,098	9,919,950
Net assets available - ending	<u>\$ 12,305,229</u>	<u>\$ 73,649</u>	<u>\$ 14,779,916</u>

The notes to the financial statements are an integral part of this statement.



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# **NOTES TO FINANCIAL STATEMENTS**



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## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **A. REPORTING ENTITY**

The City of Grand Junction, Colorado was incorporated July 19, 1882, under provision of Article XX of the Constitution of the State of Colorado, as amended (Home Rule City). The City operates under a Council-Manager form of government with seven elected Council members.

The City's financial statements include the accounts and operations of all City functions including, but not limited to, public safety (police and fire protection), street construction and maintenance, water and sanitation, planning and zoning, parks and recreation and general administration as provided by the City charter. The City owns and operates a meeting and convention center, swimming pools, golf courses and parking facilities. The City also provides ambulance transport services for Mesa County, Colorado. The City maintains a data processing facility, a central stores facility and a communications center. The communications center and central stores facility provide services to other local governments in Mesa County, Colorado.

The accounting policies of the City of Grand Junction conform to generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

As required by generally accepted accounting principles, these financial statements present the City of Grand Junction (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the City's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

**Blended Component Units.** The financial data for the following entities is reported as part of the primary government because the City Council of the City acts as the Board of Directors for each entity.

***The Ridges Metropolitan District*** was annexed into the City and dissolved as a separate district in 1992. The District continues in existence for the sole purpose of providing for the payment of the District's outstanding debt with a special levy of property taxes collected within the District only.

***The Grand Junction West Water and Sanitation District*** was annexed into the City and dissolved as a separate district in 1993. The District continues in existence solely to provide for the payment of the District's outstanding debt with a special levy of property taxes and sanitary sewer fees collected only within the District.

The financial data of the ***Grand Junction Public Finance Corporation*** (the Corporation) is reported as part of the primary government because it is fiscally dependent upon the City and provides financing solely to the City. The Corporation was incorporated as a nonprofit corporation in the State of Colorado during 1996. The purpose of the Corporation is to facilitate financing for the City (see Note 6). Although the Corporation is a separate legal entity, for financial reporting purposes it is considered part of the City and is reported in the Grand Junction Public Finance Debt Service Fund.

**Discretely Presented Component Unit.** The component unit column in the government-wide financial statements includes the financial data of the City's only discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

***The Downtown Development Authority (DDA)*** was formed to improve the downtown area of the City of Grand Junction. The Authority has an eleven-member board appointed by the City Council of the City of Grand Junction. The City Council also approves the Authority's budget and property tax levy and issues any debt for Authority projects. Financial statements for all funds and activities of the DDA are included in the City's Comprehensive Annual Financial Report because the Authority does not issue separate financial statements.

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements summarize information on governmental and business-type activities of the primary government and its component units. These statements do not include fiduciary activities, and for the most part, the effect of the interfund activity has been removed. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the *Downtown Development Authority*, the City's legally separate *component unit* for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among the program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

### ***Government-Wide, Proprietary and Fiduciary Financial Statements:***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except that agency funds, as they are merely custodial funds, do not have a measurement focus. All assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

### ***Governmental Fund Financial Statements:***

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, property taxes, utility franchise fees, grants-in-aid earned, interest, rentals and charges for services. Only the portion of special assessments receivable due within the current fiscal year is considered susceptible to accrual as revenue of the current period. Major revenues that are determined to not be susceptible to accrual, because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable, include licenses, permits, fines and forfeitures.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It accounts for all activities of the general government except those required to be accounted for in another fund.

The **Sales Tax Capital Improvements Fund** is a capital projects fund used to account for the financing and construction of projects financed completely or partially with the  $\frac{3}{4}$  percent portion of the City's  $2\frac{3}{4}$  percent sales and use tax. The  $\frac{3}{4}$  percent portion is currently dedicated to general capital improvements and economic development.

The **Street Assessment Capital Projects Fund** is a capital projects fund used to account for the financing and construction of various street improvement projects funded completely or partially with assessments to property owners.

The **Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

The City reports the following major proprietary funds:

The **Water Fund** accounts for all activities associated with providing water services to customers within the water service area.

The **Two Rivers Convention Center Fund** accounts for all activities associated with the municipally owned meeting and convention center.

The **Golf Courses Fund** accounts for all activities associated with both municipally owned golf courses, Lincoln Park Golf Course and Tiara Rado Golf Course.

The **Parking Fund** is used to account for the revenue and expense associated with the operation of all municipally owned and leased parking facilities. Construction of a parking garage in the downtown area was completed late in 2007.

Additionally the City reports the following fund types:

The **Permanent Fund** accumulates resources to provide future maintenance of municipal cemeteries.

The **Internal Service Funds** account for data processing, equipment acquisition, operation & maintenance, self-insurance activities, and communication services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The **Private-Purpose Trust Funds** account for resources legally held in trust for use by the local school district to purchase land and other uses specified by parties outside the City government.

The **Pension Trust Funds** account for Police and Fire defined benefit pension plans administered by the Fire and Police Pension Association of Colorado.

The **Investment Trust Fund** accounts for the net assets held on behalf of the City of Grand Junction/Mesa County Joint Sewer System in the City's cash pool. The Joint Sewer System is not part of the City's financial reporting entity.

The **Agency Funds** account for custodial functions in operations of an advisory board, collecting and forwarding special assessment debt payments for property owners, and billing and collections for some sewer and water districts outside the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds, and charges between the City's water and solid waste removal fund and various other functions of the City. Elimination of these charges would distort the

direct costs and program revenues reported for the various functions concerned. Interfund activity has not been eliminated in the fund financial statements.

Amounts reported as program revenues include:

1. charges to customers for goods and services
2. operating grants and contributions
3. capital grants and contributions, including special assessments

Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include cost of sales and services, personal services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted assets first, then unrestricted resources as they are needed.

#### **D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

##### *1. Cash and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits with banks and other financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition.

Colorado State Statutes limit the local governments to the following types of investments, unless others are specifically identified by home rule cities, such as the City of Grand Junction:

1. *Obligations of the United States or obligations unconditionally guaranteed by the United States*
2. *Bonds of the State of Colorado and its political subdivisions*
3. *Certain obligations secured by mortgages*
4. *Bankers acceptances*
5. *Commercial paper*
6. *State investment pools*
7. *Repurchase agreements*
8. *Money market funds*
9. *Guaranteed investment contracts*

The City Council has formally established an investment policy allowing investments to have maturities beyond five years and to include mutual funds (composed of U.S. Government obligations) and collateralized mortgage obligations. Some additional restrictions apply to the various investments.

Assets of the pension trust funds may be invested by the Fire and Police Pension Association of Colorado (FPPA) in publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments are presented at fair value except real-estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value

Investments are stated at fair value determined from quoted market prices. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1.



Investments in joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

### *2. Interfund Receivables and Payables*

Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments. Current portions of long-term interfund loan receivables are classified as "interfund receivables" and "interfund payables" on the balance sheet. Non-current portions of long-term interfund loan receivables are reported as "advances" and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

### *3. Property Taxes*

Property taxes as set by the City Council are collected by the County Treasurer. The County Treasurer remits property taxes collected to the City by the 10th day of the month following collection. Property taxes receivable represent 2009 taxes collectible in 2010 and are also shown as deferred revenue. Following are details of the property tax calendar:

Levy date:	November 15 (prior year)
Lien date:	January 1 (current year)
First 1/2 installment due:	February 28
Second 1/2 installment due:	June 15
If paid in full:	April 30

### *4. Special Assessments Receivable*

Special assessments receivable are recorded for the property owners' share of the cost of street or utility improvements within special improvement districts. Corresponding deferred revenue is recorded until the assessments meet the revenue recognition availability criteria. Special assessments receivable for projects which were initially financed with existing governmental resources are recorded together with the corresponding deferred revenue in the fund which provided the resources.

### *5. Inventories and prepaid items*

All inventories are valued at cost using the moving average method. Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### *6. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, alleys, traffic signal systems and storm drainage) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

Improvements are capitalized and depreciated over the remaining useful lives of the capital asset, as applicable. Infrastructure assets are capitalized as a separate category.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

Estimated useful lives for asset types are as follows:

	<u>Estimated lives</u>
Building and improvements	10 to 50 years
Utility plant and system	50 years
Equipment	5 to 10 years
Infrastructure	20 to 40 years

### *7. Compensated Absences*

During 1992, the City implemented a "Paid Time Off" (PTO) policy. This policy integrates holidays, vacation leave and sick leave into a single leave time accrual. An employee may accrue up to from 480 to 624 hours of PTO, depending upon years of service.

The City pays a terminating employee for all accumulated PTO time up to from 80 to 152 hours, depending on years of service. One-half of accumulated PTO in excess of this base amount will be paid to a terminating employee. In addition, employees hired prior to 1992 may have vacation and sick leave balances. The City pays a terminating employee for all accumulated vacation time and one-third of accumulated sick leave in excess of 720 hours.

Compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of an employee's resignation or retirement.

### *8. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure are recorded during the year as an extension of formal budgetary integration in order to reserve that portion of the applicable appropriation, is not included for financial reporting purposes at year-end because unused appropriations and encumbrances lapse at year-end and must be reappropriated in the following year to be expended.

### *9. Long-Term Liabilities*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds-outstanding method, which approximates the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### *10. Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans for future use of financial resources that are subject to change.

### *11. Comparative Data/Reclassifications*

Comparative total data for the prior year has been presented in the accompanying Management's Discussion and Analysis in order to provide an understanding of the changes in the City's financial position and operations. However, complete comparative data has not been reported since their inclusion would make the financial statements unduly complex and difficult to read. Also, certain

amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

Annual appropriated expenditure budgets are adopted for all governmental funds on a basis consistent with generally accepted accounting principles with the exception of the General Fund and the Sales Tax Capital Improvements Fund. The annual budget for the General Fund is prepared on the modified accrual basis of accounting excluding certain basis differences for tax accruals, market value adjustments, and the effects of payments by the State of Colorado made on-behalf of City employees to a retirement plan (see Note 9). The annual budget for the Sales Tax Capital Improvements Fund is prepared on the modified accrual basis of accounting except for certain basis differences for tax accruals and market value adjustments. Annual appropriation budgets are also adopted for all proprietary funds on the accrual basis of accounting modified to include capital expenditures and debt service principal payments and to exclude depreciation and amortization. The budget is prepared under the direction of the City Manager. The appropriations are adopted, and may not be exceeded, on a total fund basis.

The details of the budget calendar follow:

- December 15, Statutory deadline for certification of all mill levies to the Board of County Commissioners
- December 22, Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies

On or before December 31, the City Council enacts an ordinance appropriating the budgets for the ensuing fiscal year. The City Council may amend the appropriation ordinance at any time during the year, as a result of any casualty, accident, or unforeseen contingency.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. Even though the budget enacted by the City Council is at the fund level, the City prepares a line item budget by department and cost center for control at the line item level. Department heads have the authority to reallocate the distribution of budget amounts within the major categories of personnel expenditures, operating expenditures and capital expenditures within their fund and department. Budget reallocation between major expenditure categories within a fund requires City Manager approval. Budget reallocation between funds requires City Council approval.

Supplemental appropriation ordinances during 2009 resulted in budget amendments as follows:

Fund	Original Amount	Amended Amount
<b><i>Primary Government - City of Grand Junction:</i></b>		
<b><i>Governmental Activities</i></b>		
<b><i>Special Revenue Funds:</i></b>		
Community Development	\$ 340,000	\$ 548,601
Parkland Expansion	780,000	950,141
Economic Development	2,565,222	2,605,921
Conservation Trust	306,000	470,466
Public Art	-	18,000
<b><i>Capital Projects Funds:</i></b>		
Facilities Capital	825,000	1,128,515
<b><i>Debt Service Funds:</i></b>		
Ridges Metro District	222,035	228,735

Fund	Original Amount	Amended Amount
<b><i>Business-Type Activities</i></b>		
Enterprise Funds:		
Water	\$5,831,359	\$6,265,096
Solid Waste	3,172,533	4,405,425
Golf Courses	2,496,175	3,702,715
Parking	595,985	648,418
Internal Service Funds:		
Self Insurance	1,683,184	2,461,059
<b><i>Component Unit - Downtown Development Authority:</i></b>		
Special Revenue Funds:		
DDA Operations Special Revenue	317,760	635,123
DDA Tax Increment	1,761,930	2,819,940
Capital Projects Funds:		
DDA Capital Improvements	2,830,000	7,097,214
Debt Service Funds:		
DDA Debt Service	1,220,000	7,263,077

During 2009, a supplemental appropriation of \$18,000 was adopted for a public art fund that was later determined to be unnecessary to account for these expenditures. This fund is not presented in the financial statements.

#### **B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City charter prohibits the expenditure of City funds for any purpose not covered in the annual appropriation ordinance based upon the annual City budget. Colorado statutes prohibit expenditures on a total fund basis in excess of amounts appropriated.

#### **C. DEFICIT FUND EQUITY**

The solid waste removal fund had deficit fund equity as of December 31, 2009.

### **NOTE 3. DEPOSITS AND INVESTMENTS**

Substantially all the City's cash and investments are part of the City's sponsored cash pool, which includes both internal and external participants. The pool is not registered with the Securities and Exchange Commission as an investment company. The City Finance Director (Treasurer) is granted authority for managing the pool by City Council. The City Treasurer reports investment activity quarterly to the Investment Advisory Committee, which is appointed by the City Manager, and reports annually to the City Council.

Cash and investments held for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are included in and inseparable from the City's pooled cash and investments. Since the Joint Sewer System is not part of the City's reporting entity, they are considered involuntary external participants of the City's cash pool. Under *GASB Statement 31*, the Joint Sewer System's pool share value is reported as an Investment Trust Fund in the City's financial statements. See Note 11 for more information on the Joint Sewer System.

#### **Cash Deposits**

Colorado State Statutes require that all deposits be secured by federal deposit insurance or secured by collateral. Statutes require a financial institution to deposit collateral with another financial institution securing 102% of the market value of public funds held which exceed the amount insured by federal deposit



insurance. All deposits of the City are insured or collateralized with government securities held by or for the entity.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The composition of all cash held by the City cash pool at December 31, 2009, is as follows:

	<b>Bank Balance</b>	<b>Carrying Balance</b>
Cash on hand	\$ -	\$ 5,115
Insured deposits	250,000	250,000
Deposits collateralized in single institutional pools	6,897,194	5,825,912
	<u>\$7,147,194</u>	<u>\$6,081,027</u>

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair value by maintaining a minimum of 30% of the portfolio in short-term securities (less than one year) and employing a buy-and-hold strategy.

The City voluntarily participates in the state investment pools. The state investment pools exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The state investment pools and mutual funds are similar to money market funds, with each share valued at \$1. The designated custodial banks provide safekeeping and depository services, and securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. Investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. The investment in the Fire and Police Pension Association of Colorado (FPPA) investment pool is set by Colorado statute for funding of police and fire defined benefit pension plans. Investments consist of publicly traded common and preferred stock, convertible bonds, venture capital and real estate. Investments in state investment pools, mutual funds, and FPPA are not categorized by risk, as they are not evidenced by securities that exist in physical or book entry form. The fair value of the position in the state investment pools and FPPA approximate the value of the City's investment in the pools.

As of December 31, 2009, the City had the following investments:

<b><u>Investment Type</u></b>	<b><u>S&amp;P Rating</u></b>	<b><u>Fair Value</u></b>	<b><u>Weighted Average Maturity (Months)</u></b>
Corporate stock	Not rated	\$27,267	0.00
Federal Agency Securities	AAA	22,109,049	9.47
FDIC (Govt Backed Corporate)	AAA	9,183,866	17.95
Pass Through Securities (GNMA/CMO)	AAA	12,563,774	91.66
State investment pools	AAA	17,511,334	0.03
Pension trust fund	Not rated	12,305,229	0.00
Total		<u>\$73,700,519</u>	<u>24.36</u>

*Credit risk.* The City's investment practices are governed by the City of Grand Junction Charter, Article IX paragraph 72, the Colorado Revised Statutes 24-75-601 to 605, and the City's investment policy as adopted by its legislative body. These controls limit investments to U.S. Government and Agency obligations, collateralized deposits, and commercial paper with the highest rating issued by one of the nationally recognized statistical rating organizations (NRSRO's).

*Concentration of credit risk.* The City's investment policy dictates diversification and does not allow for an investment in any one issuer that is in excess of five percent of the City's total investments.

*Custodial credit risk.* State law requires financial institutions to collateralize deposits of government funds. By City policy, all marketable securities shall be deposited in a safe keeping account with an independent third party state or national bank having an office in Colorado.

*Foreign Currency Risk.* The City's investment policy, excluding the FPPA pension trust funds, does not allow for investment in foreign currency.

#### NOTE 4. ACCOUNTS RECEIVABLE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable of the various funds of the City at December 31, 2009, is as follows:

General Fund	\$5,349
Enterprise Funds:	
Water	\$ 160
Solid Waste Removal	274
Two Rivers Convention Center	259
Ambulance Transport	48,968
	<u>\$ 49,661</u>
Internal Service Funds:	
Communications Center	<u>\$ 817</u>

#### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

**Primary Government - City of Grand Junction:**

	Beginning Balance	Increase	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$270,275,282	\$ 11,588,295	\$ 103,600	\$281,759,977
Construction in progress	22,052,863	7,633,988	19,005,520	10,681,331
Total capital assets, not being depreciated	<u>292,328,145</u>	<u>19,222,283</u>	<u>19,109,120</u>	<u>292,441,308</u>
<i>Capital assets, being depreciated:</i>				
Buildings	30,741,318	19,754,760	65,857	50,430,221
Improvements other than buildings	27,046,667	1,629,453	37,201	28,638,919
Equipment	33,321,375	2,168,728	805,009	34,685,094
Infrastructure	306,449,099	17,085,624	738,219	322,796,504
Total capital assets, being depreciated	<u>397,558,459</u>	<u>40,638,565</u>	<u>1,646,286</u>	<u>436,550,738</u>
<i>Less accumulated depreciation for:</i>				
Buildings	8,889,463	1,107,567	65,058	9,931,972
Improvements other than buildings	10,980,952	1,182,038	31,251	12,131,739
Equipment	19,382,363	2,936,522	680,496	21,638,389
Infrastructure	75,724,244	7,859,934	9,227	83,574,951
Total accumulated depreciation	<u>114,977,022</u>	<u>13,086,061</u>	<u>786,032</u>	<u>127,277,051</u>
Total capital assets, being depreciated, net	<u>282,581,437</u>	<u>27,552,504</u>	<u>860,254</u>	<u>309,273,687</u>
Governmental activities capital assets, net	<u>\$574,909,582</u>	<u>\$46,774,787</u>	<u>\$ 19,969,374</u>	<u>\$601,714,995</u>

	Beginning Balance	Increase	Decreases	Ending Balance
<b>Business-type activities</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,936,135	\$ 6,854	\$ -	\$ 4,942,989
Construction in progress	369,946	1,522,302	327,126	1,565,122
Total capital assets, not being depreciated	<u>5,306,081</u>	<u>1,529,156</u>	<u>327,126</u>	<u>6,508,111</u>
<i>Capital assets, being depreciated:</i>				
Buildings and systems	60,718,137	1,711,767	48,154	62,381,750
Improvements other than buildings	4,355,234	21,006	-	4,376,240
Equipment	3,182,307	112,660	-	3,294,967
Total capital assets, being depreciated	<u>68,255,678</u>	<u>1,845,433</u>	<u>48,154</u>	<u>70,052,957</u>
<i>Less accumulated depreciation for:</i>				
Buildings and systems	22,201,873	1,398,144	48,154	23,551,863
Improvements other than buildings	2,264,640	145,773	-	2,410,413
Equipment	1,737,760	184,312	-	1,922,072
Total accumulated depreciation	<u>26,204,273</u>	<u>1,728,229</u>	<u>48,154</u>	<u>27,884,348</u>
Total capital assets, being depreciated, net	<u>42,051,405</u>	<u>117,204</u>	<u>-</u>	<u>42,168,609</u>
Business-type activities capital assets, net	<u>\$ 47,357,486</u>	<u>\$ 1,646,360</u>	<u>\$327,126</u>	<u>\$ 48,676,720</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities</b>	
General government	\$ 721,560
Public safety	612,493
Public works	8,214,322
Parks and recreation	1,162,711
Capital assets held by the government's internal service funds are charged to various functions based on their usage of assets	<u>2,374,975</u>
Total depreciation expense – governmental activities	<u>\$13,086,061</u>
<b>Business-Type Activities</b>	
Water	\$ 831,850
Solid waste	27,917
Meeting and convention center	259,955
Golf courses	135,076
Swimming pools	201,760
Parking	143,317
Irrigation	88,042
Ambulance Transport	40,312
Total depreciation expense – business-type activities	<u>\$1,728,229</u>

*Discretely Presented Component Unit*

Activity for the *Downtown Development Authority* for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,445,240	\$ -	\$ -	\$ 1,445,240
Construction in progress	979,446	88,955	275,109	793,292
Total capital assets, not being depreciated	<u>2,424,686</u>	<u>88,955</u>	<u>275,109</u>	<u>2,238,532</u>
<i>Capital assets, being depreciated:</i>				
Buildings	4,190,188	89,600	-	4,279,788
Improvements other than buildings	-	369,676	-	369,676
Equipment	441,030	131,050	-	572,080
Total capital assets, being depreciated	<u>4,631,218</u>	<u>590,326</u>	<u>-</u>	<u>5,221,544</u>
<i>Less accumulated depreciation for:</i>				
Buildings	840,997	124,896	-	965,893
Improvements other than buildings	-	9,242	-	9,242
Equipment	214,992	47,830	-	262,822
Total accumulated depreciation	<u>1,055,989</u>	<u>181,968</u>	<u>-</u>	<u>1,237,957</u>
Total capital assets, being depreciated, net	<u>3,575,229</u>	<u>408,358</u>	<u>-</u>	<u>3,983,587</u>
DDA capital assets, net	<u>\$ 5,999,915</u>	<u>\$497,313</u>	<u>\$275,109</u>	<u>\$ 6,222,119</u>

*Construction Commitments*

The City and its component unit have several ongoing construction projects as of December 31, 2009 composed of the following:

	Spent to <u>12/31/2009</u>	Projected cost <u>of completion</u>
<b>Primary Government</b>		
Street projects	\$ 6,171,126	\$ 17,389,908
Drainage projects	292,824	409,660
Park development	1,827,996	4,446,830
Facilities/equipment/other	3,954,507	8,166,248
<b>Component Unit</b>		
Development projects	\$ 793,292	\$ 3,260,932

The development projects for the Downtown Development Authority Component Unit are funded with debt backed by tax increment financing proceeds.

## NOTE 6. LONG-TERM DEBT

The following is a summary of long-term liability activity of the City for the year ended December 31, 2009:

**Primary Government - City of Grand Junction:**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds:					
<i>Ridges</i>	\$ 935,000	\$ -	\$ 165,000	\$ 770,000	\$ 175,000
Revenue bonds:					
<i>Parkway</i>	72,640,000	-	3,530,000	69,110,000	3,710,000
<i>Premium</i>	3,175,801	-	447,762	2,728,039	404,542
Net pension obligation:					
<i>Police Defined Benefit Plan</i>	459,857	691,024	443,213	707,668	-
<i>Fire Defined Benefit Plan</i>	196,611	180,046	205,493	171,164	-
Claims payable	1,220,680	2,048,340	1,142,090	2,126,930	808,507
Compensated absences	3,678,853	4,652,896	4,742,367	3,589,382	255,952
Other Post Employment Benefits	174,355	448,405	195,652	427,108	-
Governmental activity long-term liabilities	<u>\$82,481,157</u>	<u>\$8,020,711</u>	<u>\$10,871,577</u>	<u>\$79,630,291</u>	<u>\$5,354,001</u>
<b>Business-Type Activities</b>					
Promissory notes:					
<i>Water Systems</i>	\$ 70,561	\$ -	\$ 70,561	\$ -	\$ -
Loan payable					
<i>Water Systems</i>	2,796,111	-	161,625	2,634,486	167,012
Less deferred amounts:					
For loan discount	(48,749)	3,456	-	(45,293)	(3,470)
Compensated absences	666,761	880,142	867,938	678,965	48,414
Business-type activity long-term liabilities	<u>\$3,484,684</u>	<u>\$883,598</u>	<u>\$1,100,124</u>	<u>\$3,268,158</u>	<u>\$211,956</u>

**Component Unit – Downtown Development Authority:**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax increment bonds	\$ -	\$10,000,000	\$ 675,000	\$9,325,000	\$3,015,000
Compensated absences	5,124	15,820	14,832	6,112	436
Total	<u>\$5,124</u>	<u>\$10,015,820</u>	<u>\$ 689,832</u>	<u>\$9,331,112</u>	<u>\$3,015,436</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$330,551 of internal service funds compensated absences are included in the above amounts. For the governmental activities, compensated absences and net pension obligation are generally liquidated by the general fund.



Bonds, notes and loans payable as of December 31, 2009, are comprised of the following:

**Primary Government – City of Grand Junction:**

**GENERAL OBLIGATION BONDS:**

\$2,590,000 Ridges Metropolitan District General Obligation Refunding Bonds Series 1992 consisting of \$955,000 serial bonds bearing interest at 3.5% to 5.75% payable April 15 and October 15 annually through October 15, 2013, term bond of \$545,000 bearing interest of 6% payable on April 15 and October 15 through October 15, 2007, and term bond of \$1,090,000 bearing interest of 6.1% payable on April 15 and October 15 through October 15, 2013. Bonds maturing on or after October 15, 2013, are callable at the district’s option on any interest paying date at par. Both term bonds are subject to mandatory redemption pursuant to a sinking fund agreement with the paying agent. There was \$770,000 unpaid principal at December 31, 2009, payable over the following term:

Year	Principal	Interest	Total
2010	\$175,000	\$46,970	\$221,970
2011	185,000	36,295	221,295
2012	200,000	25,010	225,010
2013	210,000	12,810	222,810
	<u>\$770,000</u>	<u>\$121,085</u>	<u>\$891,085</u>

**REVENUE BONDS:**

\$80,000,000 of approved General Fund Revenue Bonds Series 2004 and 2007 bearing interest at 2% to 5% payable March 1 and September 1 annually through March 1, 2024 were issued to finance the construction of the Riverside Parkway project. There was \$69,110,000 unpaid principal at December 31, 2009, payable over the following term:

Year	Principal	Interest	Total
2010	\$3,710,000	\$3,270,387	\$6,980,387
2011	3,905,000	3,080,012	6,985,012
2012	4,105,000	2,879,762	6,984,762
2013	4,315,000	2,669,262	6,984,262
2014	3,735,000	2,468,012	6,203,012
2015-2019	21,730,000	9,286,744	31,016,744
2020-2024	27,610,000	3,403,138	31,013,138
	<u>\$69,110,000</u>	<u>\$27,057,317</u>	<u>\$96,167,317</u>

**PROMISSORY NOTES:**

\$195,930, 5% promissory note issued in 1989, to the Colorado Water Conservation Board, payable in 25 annual installments of \$13,902 including interest, collateralized by a portion of the water supply flow line. There was no unpaid principal at December 31, 2009.

**INTERGOVERNMENTAL AGREEMENT:**

The City of Grand Junction entered into an intergovernmental agreement dated September 24, 2008 with Mesa County Valley School District No. 51 for public use of the Chipeta Elementary School gymnasium and multipurpose room, which is owned and maintained by the District. The City has agreed to pay the District the sum of \$565,436 for current and future public use of these facilities. The agreement provides for three interest free installments of \$188,479 to be made on October 1 of each year beginning October 1, 2008.

There was \$188,478 unpaid principal at December 31, 2009. The expense will be recognized when the obligation is due.

***LOAN PAYABLE:***

The City of Grand Junction entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance improvements on the City's water system. The principal amount is \$3,566,522 at a net effective interest rate of 4.02%, payable February 1 and August 1 annually through 2022. The water system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the City with disbursements occurring upon receipt of a requisition executed by the City. The unpaid principal at December 31, 2009 was \$2,634,486 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2010	\$167,012	\$108,751	\$275,763
2011	172,400	104,213	276,613
2012	177,787	99,530	277,317
2013	183,175	94,700	277,875
2014	188,562	89,554	278,116
2015-2019	1,023,625	359,002	1,382,627
2020-2022	721,925	109,033	830,958
	<u>\$2,634,486</u>	<u>\$ 964,783</u>	<u>\$3,599,269</u>

***Component Unit – Downtown Development Authority:***

***TAX INCREMENT BONDS:***

During 2009, the Downtown Development Authority issued \$10,000,000 Tax Increment Financing Bonds. The bonds bear an interest rate of 3% and are payable on June 15 and December 15 of each year through 2012. The unpaid principal at December 31, 2009 was \$9,325,000 payable over the following term:

Year	Principal	Interest	Total
2010	\$3,015,000	\$279,750	\$3,294,750
2011	3,110,000	189,300	3,299,300
2012	3,200,000	96,000	3,296,000
	<u>\$9,325,000</u>	<u>\$ 565,050</u>	<u>\$9,890,050</u>

There are certain reserve requirements, limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant requirements.

## NOTE 7. BUDGET TO ACTUAL PRESENTATION - PROPRIETARY FUNDS

Modifications to budgetary basis consist of adding capital expenditures and debt service principal payments to, and excluding depreciation and amortization expense, bad debt expense, estimated claims expense, and any changes in accrued compensated absences and accrued interest expense from GAAP basis expenditures.

	Budgeted Amounts		Expenditures Reported on the Basis of GAAP	Adjustment to Budgetary Basis	Expenditures on Budgetary Basis	Variance with Final Budget – Positive (Negative)
	Original	Final				
<b>Enterprise Funds:</b>						
Water	\$5,831,359	\$6,265,096	\$5,249,054	\$ 684,705	\$5,933,759	\$ 331,337
Solid Waste Removal Two Rivers	3,172,533	4,405,425	4,157,540	73,352	4,230,892	174,533
Convention Center	3,595,743	3,595,743	3,387,690	(229,213)	3,158,477	437,266
Swimming Pools	948,315	948,315	1,023,746	(136,436)	887,310	61,005
Lincoln Park Golf	-	-	873,893	(873,893)	-	-
Golf Courses	2,496,175	3,702,715	2,457,801	1,191,313	3,649,114	53,601
Parking Authority	595,985	648,418	529,886	117,907	647,793	625
Irrigation	267,693	267,693	299,123	(57,890)	241,233	26,460
Ambulance Transport	2,664,018	2,664,018	3,559,523	(1,146,552)	2,412,971	251,047
<b>Internal Service Funds:</b>						
Data Processing	4,989,008	4,989,008	3,765,315	343,109	4,108,424	880,584
Equipment	4,893,975	4,893,975	4,007,699	(714,174)	3,293,525	1,600,450
Self-Insurance	1,683,184	2,461,059	3,294,781	(907,539)	2,387,242	73,817
Communications Center	7,173,669	7,173,669	5,053,191	1,283,549	6,336,740	836,929

## NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2009, is as follows:

**Due to/from other funds:**

	Due from Other Funds	Due to Other Funds
General Fund	\$3,552,988	\$ -
Sales Tax Capital Projects Fund to cover the cost of capital	-	1,433,978
Parkway Project Capital Projects Fund to cover the cost of capital	-	903,215
Communications Center Internal Service Fund to cover the cost of operations	-	135,967
Parking Enterprise Fund to pay current portion of advance	-	241,946
Two River Convention Center Enterprise Fund to cover the cost of operations	-	64,120
Swimming Pools Enterprise Fund to cover the cost of operations	-	37,343
Ambulance Transport Enterprise Fund to cover the cost of operations	-	491,142
Solid Waste Removal Enterprise Fund to pay current portion of advance	-	74,307
Tiara Rado Golf Course Enterprise Fund to pay current portion of advance	-	170,970
Total	\$3,552,988	\$3,552,988

*Advances to/from other funds:*

	Advance to Other Funds	Advance from Other Funds
General Fund	\$7,207,186	\$ -
Ambulance Transport Fund to cover the cost of operations	-	157,906
Solid Waste Removal Enterprise Fund to cover the cost of operations	-	1,066,675
Tiara Rado Golf Enterprise Fund to cover the cost of new irrigation system	-	1,259,450
Parking Enterprise Fund to cover partial cost of new parking garage	-	4,723,155
Total	<u>\$7,207,186</u>	<u>\$7,207,186</u>

*Interfund Transfers:*

Transfers Out:	General Fund	Sales Tax CIP	Parkway Debt Retirement Fund	Two Rivers Convention Center	Golf Courses Fund	Nonmajor Governmental	Internal Service	Nonmajor Proprietary	Total
General Fund	\$ -	\$7,930,039	\$2,612,854	\$302,418	\$ -	\$ 1,248,680	\$ -	\$ 82,071	\$12,176,062
Sales Tax CIP Street Assessment	4,980	-	-	-	-	10,708,576	-	44,483	10,758,039
	-	385,531	-	-	-	-	-	-	385,531
Nonmajor Governmental Internal Service	322,687	997,229	-	198,733	197,250	-	710,436	-	2,426,335
	11,695	472,819	-	-	-	-	-	-	484,514
Nonmajor Proprietary	-	-	-	-	873,893	-	-	-	873,893
Total Transfers Out	<u>\$339,362</u>	<u>\$9,785,618</u>	<u>\$2,612,854</u>	<u>\$501,151</u>	<u>\$1,071,143</u>	<u>\$11,957,256</u>	<u>\$710,436</u>	<u>\$126,554</u>	<u>\$27,104,374</u>

Transfers into the General Fund were to assist with cemetery operations (\$26,794); to reimburse administrative costs of the Community Development Block Grant; to purchase public art; and to cover the Downtown Catalyst Project (\$80,000) and the Chipeta Elementary School intergovernmental agreement (\$188,479). Transfers out of the General Fund were for economic development projects, capital construction, and to set aside dollars to repay the parkway debt.

Transfers into the Sales Tax CIP Fund were for various capital construction projects. Transfers out of the Sales Tax CIP Fund were to cover the Big Pipe Project (\$3,277,429), the swimming pool water slide replacement, and to repay the parkway debt (\$6,981,147).

The Street Assessment Projects Fund transferred \$385,531 to the Sales Tax CIP Fund for street improvement projects.

Transfers into the Two Rivers Convention Center Fund were to subsidize operations.

Transfers into the Golf Courses Fund were primarily to combine the Lincoln Park Golf Course Fund with the Tiara Rado Golf Course Fund (\$873,893).

Transfers into the Internal Service Fund of \$710,436 were for equipment upgrades funded by the E-911 surcharge.

## NOTE 9. RETIREMENT PLANS

### A. DEFINED CONTRIBUTION PLANS

The City maintains several defined contribution retirement plans for various classes of employees. In a defined contribution plan, benefits depend solely on amounts contributed on the plan participant's behalf to the plan plus investment earnings.

Under City ordinances, substantially all full-time City employees, other than sworn police officers and fire fighters and elected officials, are covered by a mandatory contributory defined contribution retirement plan. The City of Grand Junction, Colorado, Employees Retirement Plan is administered by the International City Manager's Association Retirement Corporation (ICMA-RC). The plan provides for retirement benefits based upon an employee's vested account. A participant becomes 100% vested on completion of five years of service. Amounts forfeited by employees who leave employment before becoming fully vested are used to pay for administrative expenses of the plan. The City matches employees' required contributions of 6% of base salary. An employee may make voluntary contributions of up to an additional 10%. Total payroll for all City employees for the year ended December 31, 2009, was \$48,381,569. Covered wages and contributions in 2009 were as follows:

<u>General Employee Plan</u>	
Covered wages	\$26,424,056
City contribution	1,585,466
Employee contribution	1,585,466

Effective January 1, 1980, under state statutes, all fire fighters and police officers hired after April 8, 1978, are covered under fire and police defined contribution pension plans (new hire plans). Fire fighters and police officers hired prior to this date had the option to remain in the defined benefit plans (old hire plans) or to transfer to the applicable new plan. The new plans are administered by independent boards. The assets of the New Hire Police Money Purchase Pension Plan and the New Hire Fire Money Purchase Pension Plan are maintained by the International City Manager's Association Retirement Corporation (ICMA-RC). Vesting is accomplished over a five-year period. Amounts forfeited by employees who leave employment before becoming fully vested are retained by the plan for administrative expenses of the plan. The rate of contribution under the new plan is 10.65% of regular salary for the employee and the City. Covered wages and contributions in 2009 were as follows:

<u>New Hire – Police &amp; Fire</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$7,549,349	\$6,875,062
City contribution	804,142	732,435
Employee contribution	804,142	732,435

In 1988, the City established supplemental defined contribution plans (new supplemental plans) for fire fighters and police officers hired before April 8, 1978, whom remained as participants in the defined benefit plans (old plans). The Old Hire Police Officers Rank Escalation Pension Plan and the Old Hire Firefighters Rank Escalation Pension Plan were established in exchange for a freeze in rank escalation benefits in the old plans at 1980 levels. The plans are administered by the International City Manager's Association Retirement Corporation (ICMA-RC). Under these new supplemental plans, the City contributes 6.65% of the employee's gross wages to the plan and the employee contributes .65%. Employees' balances became fully vested upon establishment of the plans. In 2009, there were no police officers participating in the defined benefit plans. Covered wages of fire fighters in 2009 were as follows:

<u>Old Hire Rank Escalation</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Covered wages	\$ -	\$18,668
City contribution	-	1,241
Employee contribution	-	121

In addition to the above retirement plans, all fire fighters and police officers are covered under a statewide, state-funded death and disability plan.



**B. DEFINED BENEFIT PLANS**

*Plan Description.* The City, on behalf of certain full-time paid firefighters and police officers, contributes to the Fire Old Hire Pension Fund and the Police Old Hire Pension Fund, both defined benefit, single employer plans that are affiliated with the Fire and Police Pension Association of Colorado (FPPA). Assets of the plans are commingled for investment purposes in the Fire and Police Member’s Benefit Fund; a combination of agent, multiple -employer defined benefit pension plans administered by FPPA with over 300 participating employers in the State of Colorado. The plans provide retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of each plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plans. **FPPA issues a publicly available annual financial report that includes the assets of the plans, note disclosures related to the plan investments and policies, and separate biennial actuarial reports for each of the plans. The reports may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado, 80111, or by calling FPPA at 1-800-770-3772.**

All City police officers and firefighters hired prior to April 8, 1978, participated in the plan until January 1, 1980, when they could remain in the plan or transfer and become a participant in a defined contribution plan (new hire plan). Police officers’ benefits become vested after twenty years of service and age 55 or after twenty-five years of service. Firefighters’ benefits become vested after twenty years of service and age 50. Vested employees who retire are entitled to receive an annual retirement benefit, payable monthly for life, in an amount equal to one half of one month’s salary at the time of retirement, plus any vested rank escalation. Rank escalation benefits allow for increases in benefits equal to one half of any salary increases given to current City employees in the retiree’s last position. Rank escalation benefits vested at 5% for each year of service until 1980. Benefits vested after 1979 are limited to increases of 3% per year for inflation, as determined by the state. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

*Funding Policy and Annual Pension Cost.* Plan members and the City are required to contribute at a rate set by statute. The State of Colorado also contributes to the plans in an amount set by statute. The contribution requirements of plan members and the City are established under Title 31, Article 30 of the CRS, as amended.

City employees participating in the system are required to contribute 10% of their base earnings to the system. During 2009, there were no active policemen covered by the Police Old Hire Plan and 20 retirees and beneficiaries receiving benefits. The City’s payroll for firefighters covered by the system was \$18,668 out of a total payroll of \$48,381,569 for the year ended December 31, 2009. There was 1 active firefighter contributing to the Fire Old Hire Plan and 36 retirees and beneficiaries receiving benefits. The City and State of Colorado are required to contribute the remaining amounts necessary to fund the system. Contributions to the funds for the year ended December 31, 2009, were as follows:

	<u>Police Old Hire Plan</u>	<u>Fire Old Hire Plan</u>	<u>Total</u>
City contribution	\$443,213	\$203,292	\$646,505
Employee contributions	-	2,201	2,201
State contribution	-	-	-
<b>Total</b>	<b><u>\$443,213</u></b>	<b><u>\$205,493</u></b>	<b><u>\$648,706</u></b>

The financial statements of the Police Old Hire Plan and the Fire Old Hire Plan are presented as pension trust funds in the City’s financial statements and are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are presented at fair value except real-estate which is recorded at estimated fair value based upon periodic appraisals and valuations, investments in limited partnerships which are recorded at estimated fair value as derived from financial statements, and guaranteed investment contracts which are recorded at contract value. There are no investments in, loans to, or lease with parties related to the plans. State contributions on behalf of City employees are recognized as revenues and expenditures in the General Fund in accordance with GASB Statement 24. During 2001, the Fire Old Hire Plan was fully funded and the State of Colorado was no longer required to make contributions to the plan.

The City's annual pension cost for the current year and related information for each plan is as follows:

	Police Old Hire Plan	Fire Old Hire Plan
Annual required contribution (ARC)	\$715,629	\$192,143
Interest on net pension obligation (NPO)	47,050	23,131
Adjustment to ARC	<u>(71,655)</u>	<u>(35,228)</u>
Annual pension cost	691,024	180,046
Contributions made	<u>443,213</u>	<u>205,493</u>
Increase (Decrease) in NPO	247,811	(25,447)
NPO – January 1, 2009	<u>459,857</u>	<u>196,611</u>
NPO – December 31, 2009	<u>\$707,668</u>	<u>\$171,164</u>
Actuarial valuation date	1/1/08	1/1/08
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, open	Level dollar, open
Remaining amortization period	14 years	14 years
Asset valuation method	3-Year Smoothed, FMV	3-Year Smoothed, FMV
Actuarial assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	4.75%	4.75%
Includes inflation at	3.50%	3.50%
Cost of living adjustment	3.00% - 4.00%	3.00% - 4.00%

Three-year trend information is as follows:

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Police Old Hire Plan	12/31/07	\$690,240	119.30%	\$609,346
	12/31/08	693,156	121.57%	459,857
	12/31/09	691,024	64.14%	707,668
Fire Old Hire Plan	12/31/07	\$299,540	93.38%	\$217,614
	12/31/08	292,760	107.17%	196,611
	12/31/09	180,046	114.13%	171,164

*Funded Status and Funding Progress.* Listed below is the required disclosure for the most recent actuarial valuation and the two preceding valuations:

Actuarial Valuation Date	Actuarial value of plan assets (a)	Actuarial accrued liability (b)	Unfunded actuarial liability (or funding excess) (c)	Funded ratio (a)/(b)
<b><i>Police Old Hire Plan</i></b>				
1/1/08	\$ 3,368,995	\$ 6,540,220	\$ 3,171,225	52%
1/1/06	2,407,072	6,524,614	4,117,542	37%
1/1/04	2,373,408	6,870,885	4,497,477	35%
<b><i>Fire Old Hire Plan</i></b>				
1/1/08	\$13,001,110	\$14,753,919	\$ 1,752,809	88%
1/1/06	11,668,292	14,497,968	2,829,676	80%
1/1/04	11,041,517	14,415,150	3,373,633	77%

The funding policy for the plans has been prescribed by state law in amounts that are expected to fully fund the plan by the year 2015. Both of these old-hire plans are being phased out with no new members added since 1978. No other factors are anticipated to significantly affect the trends in amounts reported.

#### NOTE 10. POST EMPLOYMENT HEALTHCARE PLAN

*Plan Description.* The City of Grand Junction's Employee Retirement Health Benefit Plan is administered by the City of Grand Junction (the City). The Retiree Health Benefit Plan was implemented by the City in 1998, after a favorable vote by employees, to provide affordable healthcare coverage to its retirees and their dependents. The plan is primarily funded through mandatory payroll deductions of all active benefited employees. The Rocky Mountain Healthcare C3 Plan (C3) offers free healthcare coverage at retirement for the employee who retires at age 50-64 with 15 years of service or more. Employee spouses and dependents that qualify for coverage must pay current C3 rates to participate. Coverage terminates for the employee and eligible dependents at age 65 when Medicare eligibility begins. Disabled employees with five years of service are also eligible to enroll in the plan.

*Funding Policy.* The contribution requirements of retirees and the City are established and may be amended by the City Council of the City. Retirees receiving benefits contributed \$127,696 or approximately 39.5 percent of the total premiums, through their required contribution of \$387.86 per month for spouse coverage and \$639.96 for family coverage. Only the retiree's premium is paid by the city.

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to C3:

	Retiree Healthcare Plan
Annual required contribution (ARC)	\$448,405
Interest on net OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense)	448,405
Contributions made	<u>(195,652)</u>
Increase in net OPEB obligation	252,753
Net OPEB obligation – January 1, 2009	<u>174,355</u>
Net OPEB obligation – December 31, 2009	<u>\$427,108</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	n/a	n/a	n/a
2008	\$414,985	57.99%	\$174,355
2009	\$448,405	43.63%	\$427,108

*Funded Status and Funding Progress.* As of December 31, 2008, the most recent actuarial valuation date, the plan was unfunded. The unfunded actuarial accrued liability (UAAL) for benefits was \$5.6 million. The covered payroll (annual payroll of active employees covered by the plan) was \$39,041,177 and the ratio of the UAAL to the covered payroll was 14.4 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future

employment, mortality, and the healthcare cost trend. Amounts determined regarding the fund status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is based on the employer's own investments and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 6 percent after seven years. The UAAL is being amortized on a level-dollar basis. The remaining amortization period at December 31, 2009, was 28 years.

## NOTE 11. RELATED ENTITIES

### A. JOINT VENTURES

#### *City of Grand Junction/Mesa County, Colorado, Joint Sewer System*

The City operates and manages the City of Grand Junction/Mesa County, Colorado, Joint Sewer System, a regional sewer system. The regional sewer system was organized by agreements made in 1979 and 1980 to provide sewer collection and treatment for the metropolitan area in the Grand Valley. The City contributed all assets which were included in its pre-existing Sewer Fund while Mesa County contributed its name through the issuance of revenue bonds, which are payable from and secured by revenue of the sewer system. After contribution of these assets, the City's pre-existing Sewer Fund was terminated. The City does not have a measurable present or future claim to the net resources of the Joint Sewer System, and therefore does not record an equity interest in its financial statements. The agreements provide that both the City and Mesa County approve the sewer system's annual appropriation budget. The City's utility department operates and manages the sewer system. The agreements provide that upon dissolution of the joint venture, ownership of the assets of the Joint Sewer system shall be determined by mutual agreement. Condensed financial statements of the sewer system at December 31, 2009 and for the year then ended, are as follows:

<u>Statement of Net Assets</u>	
<b>Assets:</b>	
Current assets	\$ 15,811,007
Noncurrent assets	894,321
Net property, plant, and equipment	<u>62,036,275</u>
<b>Total assets</b>	<b><u>\$ 78,741,603</u></b>
<b>Liabilities:</b>	
Current liabilities	\$ 1,751,519
Long-term debt	<u>12,994,783</u>
<b>Total liabilities</b>	<b><u>14,746,302</u></b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	47,986,707
Unrestricted	<u>16,008,594</u>
<b>Total net assets</b>	<b><u>\$ 63,995,301</u></b>

**Statement of Revenue and Expenses**

Operating revenue	\$ 7,862,343
Operating expenses	<u>7,784,867</u>
<b>Operating income</b>	77,476
Net nonoperating revenue and expenses	(76,802)
Capital contributions	<u>2,199,660</u>
<b>Change in net assets</b>	2,200,334
<b>Total net assets - beginning</b>	<u>61,794,967</u>
<b>Total net assets - ending</b>	<u>\$ 63,995,301</u>

Since the City operates the Joint Sewer System, all cash balances are included in the City sponsored Cash Pool. The Joint Sewer System is an external participant in that pool. The Joint Sewer System's share of the pool is \$14,779,916 reported as an Investment Trust Fund in the City's reporting entity. See Note 3 for disclosure of all investing policies concerning the pool.

Operating expense includes \$2,028,699 of depreciation. Separately issued financial statements for the City of Grand Junction/Mesa County, Colorado, Joint Sewer System are available at the City of Grand Junction, 250 North Fifth Street, Grand Junction, Colorado 81501-2668.

Long-term debt of the Joint Sewer System consists of the following:

***LOAN PAYABLE***

The Joint Sewer System entered into a loan agreement dated April 1, 2002 with the Colorado Water Resources and Power Development Authority to finance the elimination of combined storm and sanitary sewer lines and septic system elimination. The principal amount is \$13,490,000 at a net effective interest rate of 3.62%, payable February 1 and August 1 annually through 2024. The sewer system net revenues are pledged as security for the loan. The loan proceeds are held by a trustee on behalf of the Joint Sewer System with disbursements occurring upon receipt of a requisition executed by the City/County. The unpaid principal at December 31, 2009 was \$8,505,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2010	\$ 805,000	\$ 372,050	\$ 1,177,050
2011	830,000	345,589	1,175,589
2012	855,000	318,306	1,173,306
2013	885,000	290,202	1,175,202
2014	385,000	269,961	654,961
2015-2019	2,110,000	1,152,249	3,262,249
2020-2024	<u>2,635,000</u>	<u>628,888</u>	<u>3,263,888</u>
	<u>\$8,505,000</u>	<u>\$3,377,245</u>	<u>\$11,882,245</u>



**BONDS PAYABLE**

The Joint Sewer System issued \$5,200,000 of approved revenue bonds (Direct Pay Build America Bonds Series 2009) bearing interest at 3.99% payable June 1 and December 1 annually through December 2019 to extend, better, otherwise improve and equip its joint wastewater system. The unpaid principal at December 31, 2009 was \$5,200,000 payable over the following term from *Business activities*:

Year	Principal	Interest	Total
2010	\$420,000	\$167,530	\$587,530
2011	440,000	170,542	610,542
2012	445,000	164,835	609,835
2013	450,000	155,103	605,103
2014	460,000	142,714	602,714
2015-2019	2,985,000	454,944	3,439,944
	<u>\$5,200,000</u>	<u>\$1,255,668</u>	<u>\$6,455,668</u>

**Downtown Housing Effort**

The Downtown Development Authority, a component unit of the City of Grand Junction, participates on a joint venture basis with the Housing Authority of the City of Grand Junction, Colorado, in the Downtown Housing Effort (DHE). The DHE was organized in 1983 to provide new and improved housing in the downtown Grand Junction, Colorado area. The Housing Authority has been given the responsibility for the day-to-day management of the DHE. The Downtown Development Authority does not have a measurable present or future claim to the net resources of the DHE, and therefore does not record an equity interest in its financial statements. Condensed financial statements of the Downtown Housing Effort at September 30, 2009, and for the year then ended are as follows:

<b>Balance Sheet</b>	
<b>Assets:</b>	
Cash	\$397,083
Loans receivable	<u>32,712</u>
<b>Total assets</b>	<u>\$429,795</u>
<b>Liabilities and fund equity:</b>	
<b>Liabilities</b>	
Accounts payable	\$ <u>850</u>
<b>Total liabilities</b>	<u>850</u>
<b>Fund equity:</b>	
<b>Fund balance:</b>	
Reserved for interest and loans receivable	86,028
Unreserved, undesignated	<u>342,917</u>
<b>Total fund equity</b>	<u>428,945</u>
<b>Total liabilities and fund equity</b>	<u>\$429,795</u>

<b>Statement of Revenues and Expenditures</b>	
Interest and other income	\$ 2,812
Expenditures	<u>(4,598)</u>
<b>Excess of revenues over expenditures</b>	<u>\$ (1,786)</u>

Separately issued financial statements for the Downtown Housing Effort are available from the Grand Junction Housing Authority, 1011 North 10<sup>th</sup> Street, Grand Junction, Colorado, 81501.

**B. RELATED ORGANIZATIONS**

The City appoints members to the boards of the following organizations. The City’s accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency by these organizations on the City.

### ***Grand Junction Housing Authority***

The Housing Authority is charged with providing safe and sanitary dwelling accommodations as resources permit at rents which persons of low income can afford. The Authority is governed by a seven member board, all appointed by the City Council.

### ***Horizon Drive Business Improvement District***

The function of the Horizon Drive Business Improvement District Board of Directors is to take such actions and perform such duties as are required of the operations of the District. The District is allowed to make and contemplate a broad range of public improvements. The District is governed by a seven member board, all appointed by the City Council.

## **NOTE 12. CONTINGENCIES**

### **A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to employee health claims; torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established the Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Internal Service Fund provides coverage for up to a maximum of \$500,000 per occurrence on each worker's compensation claim and up to \$150,000 for each general liability or property damage claim. The City purchases commercial insurance for claims in excess of coverage for worker's compensation and participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for claims in excess of coverage for general liability and property. Settled claims have not exceeded these coverages in any of the past three fiscal years.

All funds of the City and the Joint Sewer System participate in the program and make payments to the Self-Insurance Internal Service Fund at amounts that approximate amounts which would have been paid to outside insurance providers. The claims liability of \$2,126,930 in the Self-Insurance Internal Service Fund at December 31, 2009, includes estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider these factors. Changes in the Self-Insurance Internal Service Fund's claims liability amount in 2008 and 2009 were:

	<u>January 1 Claims Payable</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>December 31 Claims Payable</u>
2008	\$ 966,520	\$1,162,280	\$ (908,120)	\$ 1,220,680
2009	\$1,220,680	\$2,048,340	\$(1,142,090)	\$2,126,930

### **B. GRANTS**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### **C. LITIGATION**

The City is involved in several claims and lawsuits as the result of the normal conduct of City business. City management believes that those claims and lawsuits will not have a material effect on the financial statements of the City.

### **NOTE 13. CONDUIT DEBT OBLIGATIONS**

The City has sponsored several industrial revenue and special assessment bond issues to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These issues do not constitute debt of the City of Grand Junction and the City assumes no financial obligation for these bond issues. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2009, there was a series of industrial revenue bonds outstanding with an original aggregate principal amount payable of \$3,555,000 and a series of private activity economic development bonds with an original aggregate principal amount payable of \$3,200,000.

Special Assessment Bonds were issued in 2003 for \$3,980,000 to fund improvements to the Rimrock Marketplace General Improvement District. The City is not liable for repayment of the debt, but the City Treasurer acts as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

### **NOTE 14. SEIZED FUNDS**

The City received proceeds from the seizure of contraband (seized funds) under the Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511). The act requires that seized funds be used for law enforcement activities. Seized funds received by the City have been included in these financial statements and these funds have been used for purposes contemplated in the Act.

### **NOTE 15. TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, and certain election requirements, which apply to the State of Colorado and all local governments.

Future spending and revenue limits are determined based on the prior year's "Fiscal Year Spending" adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. In April 2007, City of Grand Junction voters approved the retention by the City of all revenues exceeding the Fiscal Year Spending limit for 2006 and subsequent years until the Riverside Parkway bonded debt is paid in full, with all amounts retained to be used exclusively for payment of the debt. To that end, \$7,461,360 has been reserved for payment of the debt as of December 31, 2009.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Emergency reserves as of December 31, 2009, totaling \$2,000,000 are presented as a reservation of fund balance in the General Fund. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The City's emergency reserve is budgeted as part of the contingencies under general government in the general fund.

TABOR is complex and subject to interpretation. The City's management believes the City is in compliance with the provisions of TABOR as it is understood from judicial interpretations, legal opinions and commonly accepted practices.

### **NOTE 16. SUBSEQUENT EVENT**

In November, 2009, City Council gave approval for the Water Fund to issue \$3.8 million in debt to fund various capital infrastructure improvements to the City's water system. On February 2, 2010, the City entered into a loan agreement, for \$3.8 million, with the Colorado Water Resources and Power Development Authority. The interest rate on the loan is 2.5%, payable on May 1 and November 1 annually through 2030.



**REQUIRED  
SUPPLEMENTARY INFORMATION**



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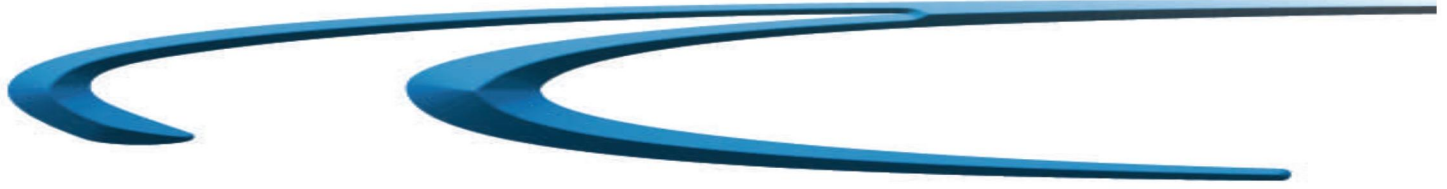
City of Grand Junction, Colorado  
 Required Supplementary Information  
**SCHEDULE OF FUNDING PROGRESS**  
 Post Employment Retiree Healthcare Plan

Fiscal Year <sup>(1)</sup>	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Total Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008	12/31/2008	-	5,605,779	5,605,779	0.0%	39,041,177	14.4%

<sup>(1)</sup> The City of Grand Junction implemented GASB 45 beginning in fiscal year ending December 31, 2008. Actuarial information is not available for prior periods. Actuarial studies will be performed biannually.



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# NON-MAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

**Visitors and Convention Bureau** ~ to accumulate resources from a lodging tax and other taxes to operate a visitor and convention bureau that promotes conventions and tourism.

**Enhanced 911 Fund** ~ to account for the resources from municipal telephone charges and their expenditure for improvements to the emergency 911 communication center.

**Parkland Expansion Fund** ~ to accumulate resources from the state lottery and land developers within the City to acquire and maintain parks and green space.

**Economic Development Fund** ~ to account for resources accumulated to further economic development efforts in the City of Grand Junction and the Grand Valley area.

**Conservation Trust Fund** ~ to account for lottery proceeds received from the State Government for the development or improvement of City parks.

**Community Development Fund** ~ to account for resources and expenditures of the community Development block grant and other grants received for pass-thru to other agencies.

## Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Sales Tax Capital Improvements Fund** ~ to account for the financing and construction of projects financed completely or partially with the 3/4 percent portion of the City's 2-3/4 percent sales and use tax. The 3/4 percent portion is currently dedicated to general capital improvements, economic development and debt service on the sales tax improvement bond issue.

## Capital Projects Funds (Continued)

**Street Assessment Projects Fund** ~ to account for various street improvement projects funded partially or in whole with assessments to property owners.

**Storm Drainage Development Fund** ~ to account for storm drainage development projects funded partially or in whole with assessments to property owners.

**Parkway Project Capital Fund** ~ to account for the construction of the Riverside Parkway. Financed primarily through revenue bonds.

**Facilities Capital Fund** ~ to account for the acquisition and construction of city facilities.

## Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**General Debt Service Fund** ~ to account for all resources which are being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds or where a separate debt service fund is legally mandated.

**Ridges Debt Service Fund** ~ to account for the disposition of those assets received by the City upon the dissolution of the Ridges Metropolitan District restricted to the payment of Ridges long-term debt, the collection of property taxes levied within the District for the payment of long-term debt and the payment of Ridges long-term debt.

**Grand Junction West Water and Sanitation District (GJWWSD) Debt Service Fund** ~ to account for those assets received by the City upon the dissolution of the Grand Junction West Water and Sanitation District restricted to the payment of GJWWSD long-term debt, the collection of property taxes and other fees levied within the District for the payment of long-term debt and the payment of GJWWSD long-term debt.

**Grand Junction Public Finance Corporation Debt Service Fund** ~ to account for debt Service payments incurred in the financing of open space land.

The **Parkway Debt Retirement Fund** is a debt service fund used to account for all resources which are being accumulated for the early retirement of the Parkway Project long-term debt principal and interest payments maturing in future years.

## Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's program.

**Cemetery Perpetual Care Fund** ~ to accumulate resources to provide for the future maintenance of municipal cemeteries.



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City of Grand Junction  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2009

Special Revenue

	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Economic Development	Conservation Trust	Community Development	Total
<b>ASSETS</b>							
Cash and investments	\$ 618,129	\$ 2,217,488	\$ 764,159	\$ 528,408	\$ 136,320	\$ 6,892	\$ 4,271,396
Accounts receivable	576	233,781	-	7,070	-	-	241,427
Taxes receivable	118,255	-	-	-	-	-	118,255
Intergovernmental receivable	-	-	-	-	-	2,911	2,911
Total assets	<u>\$ 736,960</u>	<u>\$ 2,451,269</u>	<u>\$ 764,159</u>	<u>\$ 535,478</u>	<u>\$ 136,320</u>	<u>\$ 9,803</u>	<u>\$ 4,633,989</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 30,453	\$ 9,900	\$ 556	\$ 8,391	\$ -	\$ 22	\$ 49,322
Accrued liabilities	15,451	-	-	-	-	-	15,451
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>45,904</u>	<u>9,900</u>	<u>556</u>	<u>8,391</u>	<u>-</u>	<u>22</u>	<u>64,773</u>
Fund balances:							
Reserved for perpetual care	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-
Unreserved:							
Designated for subsequent year's expenditures	135,051	1,059,389	-	147,041	-	-	1,341,481
Undesignated	556,005	1,381,980	763,603	380,046	136,320	9,781	3,227,735
Total fund balances	<u>691,056</u>	<u>2,441,369</u>	<u>763,603</u>	<u>527,087</u>	<u>136,320</u>	<u>9,781</u>	<u>4,569,216</u>
Total liabilities and fund balances	<u>\$ 736,960</u>	<u>\$ 2,451,269</u>	<u>\$ 764,159</u>	<u>\$ 535,478</u>	<u>\$ 136,320</u>	<u>\$ 9,803</u>	<u>\$ 4,633,989</u>

Debt Service				Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Parkway Project Capital Improvements Fund	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 160,759	\$ 123,868	\$ 510	\$ 285,137	\$ 202,482	\$ -	\$ 1,576,544	\$ 1,779,026	\$ 1,256,699	\$ 7,592,258
8,746	-	-	8,746	51,392	903,215	-	954,607	709	1,205,489
203,807	-	-	203,807	-	-	-	-	-	322,062
-	-	-	-	-	-	-	-	-	2,911
<u>\$ 373,312</u>	<u>\$ 123,868</u>	<u>\$ 510</u>	<u>\$ 497,690</u>	<u>\$ 253,874</u>	<u>\$ 903,215</u>	<u>\$ 1,576,544</u>	<u>\$ 2,733,633</u>	<u>\$ 1,257,408</u>	<u>\$ 9,122,720</u>
\$ -	\$ -	\$ -	\$ -	\$ 249,409	\$ -	\$ 14,316	\$ 263,725	\$ -	\$ 313,047
-	-	-	-	4,465	-	-	4,465	-	19,916
-	-	-	-	-	903,215	-	903,215	-	903,215
212,553	-	-	212,553	-	-	-	-	-	212,553
<u>212,553</u>	<u>-</u>	<u>-</u>	<u>212,553</u>	<u>253,874</u>	<u>903,215</u>	<u>14,316</u>	<u>1,171,405</u>	<u>-</u>	<u>1,448,731</u>
-	-	-	-	-	-	-	-	1,257,408	1,257,408
160,759	123,868	510	285,137	-	-	-	-	-	285,137
-	-	-	-	-	-	1,091,200	1,091,200	-	2,432,681
-	-	-	-	-	-	471,028	471,028	-	3,698,763
<u>160,759</u>	<u>123,868</u>	<u>510</u>	<u>285,137</u>	<u>-</u>	<u>-</u>	<u>1,562,228</u>	<u>1,562,228</u>	<u>1,257,408</u>	<u>7,673,989</u>
<u>\$ 373,312</u>	<u>\$ 123,868</u>	<u>\$ 510</u>	<u>\$ 497,690</u>	<u>\$ 253,874</u>	<u>\$ 903,215</u>	<u>\$ 1,576,544</u>	<u>\$ 2,733,633</u>	<u>\$ 1,257,408</u>	<u>\$ 9,122,720</u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the year ended December 31, 2009

	Special Revenue							General
	Visitors and Convention Bureau	Enhanced 911	Parkland Expansion	Economic Development	Conservation Trust	Community Development	Total	
<b>REVENUES</b>								
Taxes	\$ 1,797,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,797,336	\$ -
Intergovernmental	-	-	-	-	504,571	531,111	1,035,682	-
Charges for services	36,918	1,393,766	-	-	-	-	1,430,684	-
Miscellaneous	-	-	136,211	-	-	-	136,211	-
Investment income	14,510	47,567	27,430	7,585	6,050	925	104,067	-
Total revenues	<u>1,848,764</u>	<u>1,441,333</u>	<u>163,641</u>	<u>7,585</u>	<u>510,621</u>	<u>532,036</u>	<u>4,503,980</u>	<u>-</u>
<b>EXPENDITURES</b>								
Current:								
General government	1,983,771	-	11,235	2,291,755	-	-	4,286,761	-
Urban development and housing	-	-	-	-	-	332,981	332,981	-
Debt service:								
Principal	-	-	-	-	-	-	-	3,530,000
Interest	-	-	-	-	-	-	-	3,451,297
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,983,771</u>	<u>-</u>	<u>11,235</u>	<u>2,291,755</u>	<u>-</u>	<u>332,981</u>	<u>4,619,742</u>	<u>6,981,297</u>
Excess (deficiency) of revenues over (under) expenditures	(135,007)	1,441,333	152,406	(2,284,170)	510,621	199,055	(115,762)	(6,981,297)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	1,698,680	-	-	1,698,680	6,981,147
Transfers out	(198,733)	(710,436)	(910,401)	-	(374,546)	(198,130)	(2,392,246)	-
Total other financing sources (uses)	<u>(198,733)</u>	<u>(710,436)</u>	<u>(910,401)</u>	<u>1,698,680</u>	<u>(374,546)</u>	<u>(198,130)</u>	<u>(693,566)</u>	<u>6,981,147</u>
Net change in fund balance	(333,740)	730,897	(757,995)	(585,490)	136,075	925	(809,328)	(150)
Fund balances - beginning	1,024,796	1,710,472	1,521,598	1,112,577	245	8,856	5,378,544	150
Fund balances - ending	<u>\$ 691,056</u>	<u>\$ 2,441,369</u>	<u>\$ 763,603</u>	<u>\$ 527,087</u>	<u>\$ 136,320</u>	<u>\$ 9,781</u>	<u>\$ 4,569,216</u>	<u>\$ -</u>

Debt Service				Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
Ridges	GJWWSD	GJ Public Finance	Total	Storm Drainage Development	Parkway Project Capital Improvements Fund	Facilities Capital Projects	Total	Cemetery Perpetual Care	
\$ 197,862	\$ -	\$ -	\$ 197,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,995,198
-	-	-	-	181,185	-	225,000	406,185	-	1,441,867
-	-	-	-	-	-	-	-	22,641	1,453,325
-	3,569	-	3,569	43,670	-	49,248	92,918	-	232,698
5,760	2,586	-	8,346	-	-	24,275	24,275	26,566	163,254
<u>203,622</u>	<u>6,155</u>	<u>-</u>	<u>209,777</u>	<u>224,855</u>	<u>-</u>	<u>298,523</u>	<u>523,378</u>	<u>49,207</u>	<u>5,286,342</u>
6,400	-	-	6,400	-	-	-	-	-	4,293,161
-	-	-	-	-	-	-	-	-	332,981
165,000	-	-	3,695,000	-	-	-	-	-	3,695,000
57,335	-	-	3,508,632	-	-	-	-	-	3,508,632
-	-	-	-	3,502,521	(1,119)	1,005,625	4,507,027	-	4,507,027
<u>228,735</u>	<u>-</u>	<u>-</u>	<u>7,210,032</u>	<u>3,502,521</u>	<u>(1,119)</u>	<u>1,005,625</u>	<u>4,507,027</u>	<u>-</u>	<u>16,336,801</u>
(25,113)	6,155	-	(7,000,255)	(3,277,666)	1,119	(707,102)	(3,983,649)	49,207	(11,050,459)
-	-	-	6,981,147	3,277,429	-	-	3,277,429	-	11,957,256
-	-	-	-	-	(1,119)	(6,176)	(7,295)	(26,794)	(2,426,335)
-	-	-	6,981,147	3,277,429	(1,119)	(6,176)	3,270,134	(26,794)	9,530,921
(25,113)	6,155	-	(19,108)	(237)	-	(713,278)	(713,515)	22,413	(1,519,538)
185,872	117,713	510	304,245	237	-	2,275,506	2,275,743	1,234,995	9,193,527
<u>\$ 160,759</u>	<u>\$ 123,868</u>	<u>\$ 510</u>	<u>\$ 285,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,562,228</u>	<u>\$ 1,562,228</u>	<u>\$ 1,257,408</u>	<u>\$ 7,673,989</u>

City of Grand Junction, Colorado  
**VISITORS AND CONVENTION BUREAU SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 2,466,359	\$ 1,797,336	\$ (669,023)
Charges for services	57,100	36,918	(20,182)
Investment income	38,995	14,510	(24,485)
Total revenues	<u>2,562,454</u>	<u>1,848,764</u>	<u>(713,690)</u>
<b>EXPENDITURES</b>			
Current:			
General government:	<u>2,501,005</u>	<u>1,983,771</u>	<u>517,234</u>
Excess (deficiency) of revenues over (under) expenditures	61,449	(135,007)	(196,456)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(198,733)</u>	<u>(198,733)</u>	<u>-</u>
Net change in fund balance	(137,284)	(333,740)	(196,456)
Fund balances - beginning	1,024,796	1,024,796	-
Fund balances - ending	<u>\$ 887,512</u>	<u>\$ 691,056</u>	<u>\$ (196,456)</u>

City of Grand Junction, Colorado  
**ENHANCED 911 SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 700,612	\$ -	\$ (700,612)
Charges for services	1,439,360	1,393,766	(45,594)
Investment income	40,911	47,567	6,656
Total revenues	<u>2,180,883</u>	<u>1,441,333</u>	<u>(739,550)</u>
<b>EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	2,180,883	1,441,333	(739,550)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(3,280,524)</u>	<u>(710,436)</u>	<u>2,570,088</u>
Net change in fund balance	(1,099,641)	730,897	1,830,538
Fund balances - beginning	1,710,472	1,710,472	-
Fund balances - ending	<u>\$ 610,831</u>	<u>\$ 2,441,369</u>	<u>\$ 1,830,538</u>



City of Grand Junction, Colorado  
**PARKLAND EXPANSION SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 935,000	\$ 300,000	\$ 136,211	\$ (163,789)
Investment income	90,396	40,000	27,430	(12,570)
Total revenues	<u>1,025,396</u>	<u>340,000</u>	<u>163,641</u>	<u>(176,359)</u>
<b>EXPENDITURES</b>				
Current:				
General government:	<u>-</u>	<u>-</u>	<u>11,235</u>	<u>(11,235)</u>
Excess of revenues over expenditures	1,025,396	340,000	152,406	(187,594)
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(780,000)</u>	<u>(950,141)</u>	<u>(910,401)</u>	<u>39,740</u>
Net change in fund balance	245,396	(610,141)	(757,995)	(147,854)
Fund balances - beginning	1,521,598	1,521,598	1,521,598	-
Fund balances - ending	<u>\$ 1,766,994</u>	<u>\$ 911,457</u>	<u>\$ 763,603</u>	<u>\$ (147,854)</u>

City of Grand Junction, Colorado  
**ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 13,330	\$ 10,664	\$ 7,585	\$ (3,079)
<b>EXPENDITURES</b>				
Current:				
General government:	2,565,222	2,605,921	2,291,755	314,166
Deficiency of revenues under expenditures	(2,551,892)	(2,595,257)	(2,284,170)	311,087
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,450,000	1,700,000	1,698,680	(1,320)
Net change in fund balance	(101,892)	(895,257)	(585,490)	309,767
Fund balances - beginning	1,112,577	1,112,577	1,112,577	-
Fund balances - ending	\$ 1,010,685	\$ 217,320	\$ 527,087	\$ 309,767

City of Grand Junction, Colorado  
**CONSERVATION TRUST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 560,000	\$ 500,000	\$ 504,571	\$ 4,571
Investment income	-	1,570	6,050	4,480
Total revenues	<u>560,000</u>	<u>501,570</u>	<u>510,621</u>	<u>9,051</u>
<b>EXPENDITURES</b>				
Excess of revenues over expenditures	560,000	501,570	510,621	9,051
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(306,000)</u>	<u>(470,466)</u>	<u>(374,546)</u>	<u>95,920</u>
Net change in fund balance	254,000	31,104	136,075	104,971
Fund balances - beginning	245	245	245	-
Fund balances - ending	<u>\$ 254,245</u>	<u>\$ 31,349</u>	<u>\$ 136,320</u>	<u>\$ 104,971</u>

City of Grand Junction, Colorado  
**COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 340,000	\$ 541,101	\$ 531,111	\$ (9,990)
Investment Income	-	-	925	925
Total revenues	<u>340,000</u>	<u>541,101</u>	<u>532,036</u>	<u>(9,065)</u>
<b>EXPENDITURES</b>				
Current:				
Urban development and housing	<u>320,000</u>	<u>432,900</u>	<u>332,981</u>	<u>99,919</u>
Excess of revenues over expenditures	20,000	108,201	199,055	90,854
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(20,000)</u>	<u>(115,701)</u>	<u>(198,130)</u>	<u>(82,429)</u>
Net change in fund balance	-	(7,500)	925	8,425
Fund balances - beginning	8,856	8,856	8,856	-
Fund balances - ending	<u>\$ 8,856</u>	<u>\$ 1,356</u>	<u>\$ 9,781</u>	<u>\$ 8,425</u>

City of Grand Junction, Colorado  
**GENERAL DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	3,530,000	3,530,000	-
Interest and fiscal charges	3,451,298	3,451,297	1
Total expenditures	<u>6,981,298</u>	<u>6,981,297</u>	<u>1</u>
 Deficiency of revenues under expenditures	 (6,981,298)	 (6,981,297)	 1
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>6,981,388</u>	<u>6,981,147</u>	<u>(241)</u>
 Net change in fund balance	 90	 (150)	 (240)
Fund balances - beginning	150	150	-
Fund balances - ending	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ (240)</u>

City of Grand Junction, Colorado  
**RIDGES DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 190,400	\$ 190,400	\$ 197,862	\$ 7,462
Investment income	6,119	4,895	5,760	865
Total revenues	<u>196,519</u>	<u>195,295</u>	<u>203,622</u>	<u>8,327</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	6,700	6,400	300
Debt service:				
Principal retirement	165,000	165,000	165,000	-
Interest and fiscal charges	57,035	57,035	57,335	(300)
Total expenditures	<u>222,035</u>	<u>228,735</u>	<u>228,735</u>	<u>-</u>
Deficiency of revenues under expenditures	(25,516)	(33,440)	(25,113)	8,327
Fund balances - beginning	185,872	185,872	185,872	-
Fund balances - ending	<u>\$ 160,356</u>	<u>\$ 152,432</u>	<u>\$ 160,759</u>	<u>\$ 8,327</u>



City of Grand Junction, Colorado  
**GRAND JUNCTION WEST WATER AND SANITATION DISTRICT DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ 3,569	\$ 3,569
Investment income	4,492	2,586	(1,906)
Total revenues	<u>4,492</u>	<u>6,155</u>	<u>1,663</u>
<b>EXPENDITURES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	4,492	6,155	1,663
Fund balances - beginning	117,713	117,713	-
Fund balances - ending	<u>\$ 122,205</u>	<u>\$ 123,868</u>	<u>\$ 1,663</u>

City of Grand Junction, Colorado  
**GRAND JUNCTION PUBLIC FINANCE CORPORATION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-
Deficiency of revenues under expenditures	-	-	-
Fund balances - beginning	510	510	-
Fund balances - ending	\$ 510	\$ 510	\$ -

City of Grand Junction, Colorado  
**PARKWAY DEBT RETIREMENT DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 286,126	\$ 228,900	\$ 199,869	\$ (29,031)
<b>EXPENDITURES</b>				
	-	-	-	-
Excess of revenues over expenditures	286,126	228,900	199,869	(29,031)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,685,309	2,612,854	2,612,854	-
Net change in fund balance	2,971,435	2,841,754	2,812,723	(29,031)
Fund balances - beginning	9,374,254	9,374,254	9,374,254	-
Fund balances - ending	\$ 12,345,689	\$ 12,216,008	\$ 12,186,977	\$ (29,031)

City of Grand Junction, Colorado  
**SALES TAX CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual GAAP Basis Amounts	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>					
Taxes	\$ 15,014,006	\$ 10,728,283	\$ 325,709	\$ 11,053,992	\$ (3,960,014)
Intergovernmental	3,833,333	2,407,439	-	2,407,439	(1,425,894)
Special assessments	240,000	92,198	-	92,198	(147,802)
Investment income	186,043	9,475	-	9,475	(176,568)
Miscellaneous	-	97,023	-	97,023	97,023
Other contributions	-	10,700	-	10,700	10,700
Total revenues	<u>19,273,382</u>	<u>13,345,118</u>	<u>325,709</u>	<u>13,670,827</u>	<u>(5,602,555)</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Construction	<u>19,988,856</u>	<u>12,372,697</u>	<u>-</u>	<u>12,372,697</u>	<u>7,616,159</u>
Excess (deficiency) of revenues over (under) expenditures	(715,474)	972,421	325,709	1,298,130	2,013,604
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	11,551,628	9,785,618	-	9,785,618	(1,766,010)
Transfers out	<u>(11,401,766)</u>	<u>(10,758,039)</u>	<u>-</u>	<u>(10,758,039)</u>	<u>643,727</u>
Total other financing sources (uses)	<u>149,862</u>	<u>(972,421)</u>	<u>-</u>	<u>(972,421)</u>	<u>(1,122,283)</u>
Net change in fund balance	(565,612)	-	325,709	325,709	891,321
Fund balances - beginning	-	-	-	-	-
Fund balances - ending	<u>\$ (565,612)</u>	<u>\$ -</u>	<u>\$ 325,709</u>	<u>\$ 325,709</u>	<u>\$ 891,321</u>

City of Grand Junction, Colorado  
**STREET ASSESSMENT PROJECTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Miscellaneous:			
Development fees	\$ 1,800,000	\$ 979,141	\$ (820,859)
Investment income	64,334	22,610	(41,724)
Total revenues	<u>1,864,334</u>	<u>1,001,751</u>	<u>(862,583)</u>
<b>EXPENDITURES</b>			
	-	-	-
Excess of revenues over expenditures	1,864,334	1,001,751	(862,583)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(1,864,334)</u>	<u>(385,531)</u>	<u>1,478,803</u>
Net change in fund balance	-	616,220	616,220
Fund balances - beginning	206,786	206,786	-
Fund balances - ending	<u>\$ 206,786</u>	<u>\$ 823,006</u>	<u>\$ 616,220</u>

City of Grand Junction, Colorado  
**STORM DRAINAGE DEVELOPMENT CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 181,185	\$ 181,185
Miscellaneous:			
Development fees	50,000	43,670	(6,330)
Total revenues	<u>50,000</u>	<u>224,855</u>	<u>174,855</u>
<b>EXPENDITURES</b>			
Capital outlay:			
Construction	4,027,710	3,502,521	525,189
Deficiency of revenues under expenditures	(3,977,710)	(3,277,666)	700,044
<b>OTHER FINANCING SOURCES</b>			
Transfers in	3,970,378	3,277,429	(692,949)
Net change in fund balance	(7,332)	(237)	7,095
Fund balances - beginning	237	237	-
Fund balances - ending	<u>\$ (7,095)</u>	<u>\$ -</u>	<u>\$ 7,095</u>



City of Grand Junction, Colorado  
**PARKWAY PROJECT CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2009

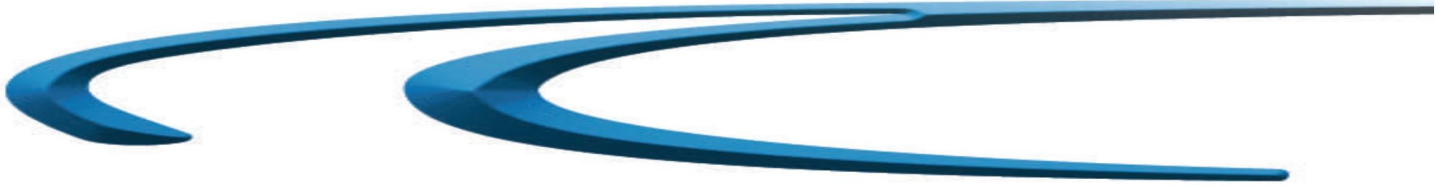
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Capital outlay:			
Construction	-	(1,119)	1,119
Excess (deficiency) of revenues over (under) expenditures	-	1,119	1,119
<b>OTHER FINANCING USES</b>			
Transfers out	-	(1,119)	(1,119)
Net change in fund balance	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -

City of Grand Junction, Colorado  
**FACILITIES CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 225,000	\$ 225,000	\$ -
Miscellaneous	-	99,002	49,248	(49,754)
Investment income	139,999	60,000	24,275	(35,725)
Total revenues	<u>139,999</u>	<u>384,002</u>	<u>298,523</u>	<u>(85,479)</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Construction	<u>825,000</u>	<u>1,122,339</u>	<u>1,005,625</u>	<u>116,714</u>
Deficiency of revenues under expenditures	(685,001)	(738,337)	(707,102)	31,235
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>(6,176)</u>	<u>(6,176)</u>	<u>-</u>
Net change in fund balance	(685,001)	(744,513)	(713,278)	31,235
Fund balances - beginning	2,275,506	2,275,506	2,275,506	-
Fund balances - ending	<u>\$ 1,590,505</u>	<u>\$ 1,530,993</u>	<u>\$ 1,562,228</u>	<u>\$ 31,235</u>

City of Grand Junction, Colorado  
**CEMETERY PERPETUAL CARE PERMANENT TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
<b>REVENUES</b>			
Perpetual care revenue	\$ 31,000	\$ 22,641	\$ (8,359)
Investment income	50,911	26,566	(24,345)
Total revenues	<u>81,911</u>	<u>49,207</u>	<u>(32,704)</u>
<b>EXPENDITURES</b>			
	-	-	-
Excess revenues over expenditures	81,911	49,207	(32,704)
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(50,911)</u>	<u>(26,794)</u>	<u>24,117</u>
Net change in fund balance	31,000	22,413	(8,587)
Fund balances - beginning	1,234,995	1,234,995	-
Fund balances - ending	<u>\$ 1,265,995</u>	<u>\$ 1,257,408</u>	<u>\$ (8,587)</u>



# NON-MAJOR PROPRIETARY FUNDS

## Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Solid Waste Removal Fund** ~ to account for the revenues and expenses associated with refuse collection within the city.

**Swimming Pools Fund** ~ to account for the revenues and expenses associated with the maintenance of all municipally-owned swimming pools.

**Lincoln Park Golf Course Fund** ~ to account for the revenues and expenses associated with the operations of the Lincoln Park Golf Course.

**Irrigation Fund** ~ to account for the resources and expenses associated with the operation of City-owned and leased parking facilities, as well as the enforcement of City parking regulations.

**Ambulance Transport Fund** ~ to account for the revenues and expenses associated with the operation of ambulance transport services within Mesa County.

## Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

**Data Processing Fund** ~ to account for expenses associated with the operations of the data processing center that provides services to City agencies and the related charges for these Services.

**Equipment Fund** ~ to account for the expenses associated with the acquisition, operation and maintenance of City-owned vehicles and equipment, and the related charges for these services.

**Self-Insurance Fund** ~ to account for the expenses associated with providing workman's compensation and excess property and liability insurance coverage, and the related charges to the various department's within the City.

**Communications Center Fund** ~ to account for the expenses associated with the operations of the Grand Valley Combined Emergency 911 Communications Center, as well as the related charges for its operation to the various local governments using its services.

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
December 31, 2009

Business-Type Activities - Enterprise Funds

	Solid Waste Removal	Swimming Pools	Irrigation	Ambulance Transport	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 777,515	\$ -	\$ 111,599	\$ -	\$ 889,114
Accounts receivable, net of allowance	382,522	3,409	25,278	1,105,968	1,517,177
Intergovernmental receivable	2,720	43,491	-	-	46,211
Prepaid Items	152,097	-	-	-	152,097
Total current assets	<u>1,314,854</u>	<u>46,900</u>	<u>136,877</u>	<u>1,105,968</u>	<u>2,604,599</u>
Noncurrent assets:					
Capital assets:					
Buildings, improvements, plant and system	114,852	4,799,357	3,375,059	-	8,289,268
Equipment	907,202	331,947	5,297	388,415	1,632,861
Construction in progress	2,720	5,656	30,938	11,196	50,510
Less accumulated depreciation	<u>(761,145)</u>	<u>(3,711,467)</u>	<u>(2,274,615)</u>	<u>(141,094)</u>	<u>(6,888,321)</u>
Total capital assets (net of accumulated depreciation)	<u>263,629</u>	<u>1,425,493</u>	<u>1,136,679</u>	<u>258,517</u>	<u>3,084,318</u>
Total noncurrent assets	<u>263,629</u>	<u>1,425,493</u>	<u>1,136,679</u>	<u>258,517</u>	<u>3,084,318</u>
Total assets	<u>1,578,483</u>	<u>1,472,393</u>	<u>1,273,556</u>	<u>1,364,485</u>	<u>5,688,917</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	488,123	4,725	9	31,358	524,215
Accrued liabilities	12,899	4,832	1,260	40,167	59,158
Compensated absences payable	8,788	906	745	4,706	15,145
Due to other funds	74,307	37,343	-	491,142	602,792
Total current liabilities	<u>584,117</u>	<u>47,806</u>	<u>2,014</u>	<u>567,373</u>	<u>1,201,310</u>
Noncurrent liabilities:					
Compensated absences payable	114,458	11,795	9,702	61,295	197,250
Advances from other funds - general fund	1,066,675	-	-	157,906	1,224,581
Total noncurrent liabilities	<u>1,181,133</u>	<u>11,795</u>	<u>9,702</u>	<u>219,201</u>	<u>1,421,831</u>
Total liabilities	<u>1,765,250</u>	<u>59,601</u>	<u>11,716</u>	<u>786,574</u>	<u>2,623,141</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	263,629	1,425,493	1,136,679	258,517	3,084,318
Unrestricted	(450,396)	(12,701)	125,161	319,394	(18,542)
Total net assets	<u>\$ (186,767)</u>	<u>\$ 1,412,792</u>	<u>\$ 1,261,840</u>	<u>\$ 577,911</u>	<u>\$ 3,065,776</u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2009

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course
<b>Operating revenues:</b>			
Charges for sales and services	\$ 2,976,883	\$ 679,312	\$ -
<b>Operating expenses:</b>			
Personal services	1,014,975	560,107	-
Costs of sales and services	3,114,648	261,879	-
Depreciation and amortization	27,917	201,760	-
Total operating expenses	<u>4,157,540</u>	<u>1,023,746</u>	<u>-</u>
Operating income (loss)	<u>(1,180,657)</u>	<u>(344,434)</u>	<u>-</u>
<b>Nonoperating revenues (expenses):</b>			
Intergovernmental	2,720	81,444	-
Investment income	11,318	-	-
Interest expense	-	-	-
Total nonoperating revenues (expenses)	<u>14,038</u>	<u>81,444</u>	<u>-</u>
<b>Income (loss) before contributions and transfers</b>	<u>(1,166,619)</u>	<u>(262,990)</u>	<u>-</u>
Transfers in	-	126,554	-
Transfers out	-	-	(873,893)
Change in net assets	<u>(1,166,619)</u>	<u>(136,436)</u>	<u>(873,893)</u>
Total net assets - beginning	<u>979,852</u>	<u>1,549,228</u>	<u>873,893</u>
Total net assets - ending	<u>(186,767)</u>	<u>1,412,792</u>	<u>-</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:	<u>(38,928)</u>	<u>(1,655)</u>	<u>-</u>
	<u>\$ (225,695)</u>	<u>\$ 1,411,137</u>	<u>\$ -</u>



<u>Irrigation</u>	<u>Ambulance Transport</u>	<u>Total</u>
\$ <u>212,043</u>	\$ <u>3,574,582</u>	\$ <u>7,442,820</u>
95,591	1,718,616	3,389,289
115,490	1,776,909	5,268,926
88,042	40,312	358,031
<u>299,123</u>	<u>3,535,837</u>	<u>9,016,246</u>
<u>(87,080)</u>	<u>38,745</u>	<u>(1,573,426)</u>
-	-	84,164
3,103	262	14,683
-	(23,686)	(23,686)
<u>3,103</u>	<u>(23,424)</u>	<u>75,161</u>
<u>(83,977)</u>	<u>15,321</u>	<u>(1,498,265)</u>
-	-	126,554
-	-	(873,893)
<u>(83,977)</u>	<u>15,321</u>	<u>(2,245,604)</u>
<u>1,345,817</u>	<u>562,590</u>	<u>5,311,380</u>
<u>1,261,840</u>	<u>577,911</u>	<u>3,065,776</u>
<u>(1,007)</u>	<u>(8,479)</u>	<u>(50,069)</u>
\$ <u><u>1,260,833</u></u>	\$ <u><u>569,432</u></u>	\$ <u><u>3,015,707</u></u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
For the year ended December 31, 2009

	Business-Type Activities - Enterprise Funds		
	Solid Waste Removal	Swimming Pools	Lincoln Park Golf Course
<b>Cash flows from operating activities:</b>			
Cash received from customers and users	\$ 2,930,793	\$ 681,094	\$ -
Cash paid to interfund	(844,075)	(35,881)	-
Cash paid to suppliers	(2,112,526)	(269,615)	-
Cash paid to employees	(1,061,346)	(574,510)	-
Net cash provided (used) by operating activities	<u>(1,087,154)</u>	<u>(198,912)</u>	<u>-</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	-	126,554	-
Transfers to other funds	-	-	(2,237)
Increase (decrease) in amount due other funds	-	37,343	-
Intergovernmental receipts	-	94,915	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>258,812</u>	<u>(2,237)</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds of interfund capital loans	1,140,982	-	-
Advance (Repayment) of interfund capital loans	-	-	-
Interest paid	-	-	-
Purchase of capital assets	(10,829)	(63,639)	-
Net cash used in capital and related financing activities	<u>1,130,153</u>	<u>(63,639)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>			
Investment income received	11,318	-	-
Net cash provided (used) by investing activities	<u>11,318</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	54,317	(3,739)	(2,237)
Cash and cash equivalents, January 1	723,198	3,739	2,237
Cash and cash equivalents, December 31	<u>\$ 777,515</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (1,180,657)	\$ (344,434)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	27,917	201,760	-
(Increase) decrease in accounts receivable	(46,090)	1,782	-
(Increase) decrease in prepaids	(152,097)	-	-
Increase (decrease) in accounts payable	390,198	(43,617)	-
Increase (decrease) in accrued liabilities and compensated absences payable	(46,371)	(14,403)	-
(Increase) decrease in accounts payable due to the purchase of fixed assets on account	(80,054)	-	-
Total adjustments	<u>93,503</u>	<u>145,522</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (1,087,154)</u>	<u>\$ (198,912)</u>	<u>\$ -</u>
<b>Noncash Investing, Capital and Financing Activities</b>			
Purchase of capital assets on account	\$ 80,054	\$ -	\$ -
Transfer of non-cash assets to other funds	-	-	871,656

Irrigation	Ambulance Transport	Total
\$ 207,269	\$ 2,221,835	\$ 6,040,991
(21,834)	(183,861)	(1,085,651)
(93,656)	(345,012)	(2,820,809)
<u>(98,327)</u>	<u>(1,737,099)</u>	<u>(3,471,282)</u>
<u>(6,548)</u>	<u>(44,137)</u>	<u>(1,336,751)</u>
-	-	126,554
-	-	(2,237)
-	236,663	274,006
-	-	94,915
<u>-</u>	<u>236,663</u>	<u>493,238</u>
-	-	1,140,982
-	(157,906)	(157,906)
-	(23,686)	(23,686)
<u>(30,988)</u>	<u>(11,196)</u>	<u>(116,652)</u>
<u>(30,988)</u>	<u>(192,788)</u>	<u>842,738</u>
3,103	262	14,683
<u>3,103</u>	<u>262</u>	<u>14,683</u>
(34,433)	-	13,908
146,032	-	875,206
<u>\$ 111,599</u>	<u>\$ -</u>	<u>\$ 889,114</u>
\$ (87,080)	\$ 38,745	\$ (1,573,426)
88,042	40,312	358,031
(4,774)	(93,166)	(142,248)
-	-	(152,097)
-	(11,545)	335,036
(2,736)	(18,483)	(81,993)
-	-	(80,054)
<u>80,532</u>	<u>(82,882)</u>	<u>236,675</u>
<u>\$ (6,548)</u>	<u>\$ (44,137)</u>	<u>\$ (1,336,751)</u>
\$ -	\$ -	\$ 80,054
-	-	871,656

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
December 31, 2009

	Data Processing	Equipment	Self- Insurance	Communications Center	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 1,152,109	\$ 5,940,353	\$ 6,600,382	\$ -	\$ 13,692,844
Accounts receivable, net of allowance	4,245	3,870	712,624	-	720,739
Intergovernmental receivable	-	983	-	1,171,255	1,172,238
Total current assets	<u>1,156,354</u>	<u>5,945,206</u>	<u>7,313,006</u>	<u>1,171,255</u>	<u>15,585,821</u>
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	1,248,439	-	1,225,237	2,473,676
Equipment	2,943,308	18,124,128	-	6,471,593	27,539,029
Construction in progress	12,765	-	-	1,924,189	1,936,954
Less accumulated depreciation	(999,922)	(12,918,801)	-	(3,845,765)	(17,764,488)
Total capital assets (net of accumulated depreciation)	<u>1,956,151</u>	<u>6,453,766</u>	<u>-</u>	<u>5,775,254</u>	<u>14,185,171</u>
Total assets	<u>3,112,505</u>	<u>12,398,972</u>	<u>7,313,006</u>	<u>6,946,509</u>	<u>29,770,992</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	49,819	440,369	47,979	49,989	588,156
Accrued liabilities	27,749	9,506	1,740	48,327	87,322
Compensated absences payable	8,311	2,934	2,191	10,135	23,571
Claims payable	-	-	808,507	-	808,507
Due to other funds	-	-	-	135,967	135,967
Total current liabilities	<u>85,879</u>	<u>452,809</u>	<u>860,417</u>	<u>244,418</u>	<u>1,643,523</u>
Noncurrent liabilities					
Compensated absences payable	108,244	38,210	28,528	131,998	306,980
Claims payable	-	-	1,318,423	-	1,318,423
Total noncurrent liabilities	<u>108,244</u>	<u>38,210</u>	<u>1,346,951</u>	<u>131,998</u>	<u>1,625,403</u>
Total liabilities	<u>194,123</u>	<u>491,019</u>	<u>2,207,368</u>	<u>376,416</u>	<u>3,268,926</u>
<b>NET ASSETS</b>					
Invested in capital assets	1,956,151	6,453,766	-	5,775,254	14,185,171
Unrestricted	962,231	5,454,187	5,105,638	794,839	12,316,895
Total net assets	<u>\$ 2,918,382</u>	<u>\$ 11,907,953</u>	<u>\$ 5,105,638</u>	<u>\$ 6,570,093</u>	<u>\$ 26,502,066</u>

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
For the year ended December 31, 2009

	Data Processing	Equipment	Self- Insurance	Communications Center	Total
<b>Operating revenues:</b>					
Charges for sales and services:	\$ 4,359,663	\$ 1,684,852	\$ 1,372,057	\$ 3,723,909	\$ 11,140,481
Miscellaneous	-	-	866,984	-	866,984
Total operating revenues	<u>4,359,663</u>	<u>1,684,852</u>	<u>2,239,041</u>	<u>3,723,909</u>	<u>12,007,465</u>
<b>Operating expenses:</b>					
Personal services	2,112,329	692,763	314,387	3,546,141	6,665,620
Costs of sales and services	1,409,270	1,857,282	2,507,575	821,750	6,595,877
Depreciation and amortization	243,716	1,445,959	-	685,300	2,374,975
Total operating expenses	<u>3,765,315</u>	<u>3,996,004</u>	<u>2,821,962</u>	<u>5,053,191</u>	<u>15,636,472</u>
Operating income (loss)	<u>594,348</u>	<u>(2,311,152)</u>	<u>(582,921)</u>	<u>(1,329,282)</u>	<u>(3,629,007)</u>
<b>Nonoperating revenues (expenses):</b>					
Intergovernmental	7,288	-	-	1,123,569	1,130,857
Miscellaneous	-	-	-	57,500	57,500
Investment income	21,039	144,415	134,327	15,311	315,092
Gain (loss) on disposition of property and equipment	-	75,592	-	-	75,592
Total nonoperating revenues (expenses)	<u>28,327</u>	<u>220,007</u>	<u>134,327</u>	<u>1,196,380</u>	<u>1,579,041</u>
Income (loss) before transfers	<u>622,675</u>	<u>(2,091,145)</u>	<u>(448,594)</u>	<u>(132,902)</u>	<u>(2,049,966)</u>
Transfers in	-	-	-	710,436	710,436
Transfers out	-	(11,695)	(472,819)	-	(484,514)
Change in net assets	622,675	(2,102,840)	(921,413)	577,534	(1,824,044)
Total net assets - beginning	2,295,707	14,010,793	6,027,051	5,992,559	28,326,110
Total net assets - ending	<u>\$ 2,918,382</u>	<u>\$ 11,907,953</u>	<u>\$ 5,105,638</u>	<u>\$ 6,570,093</u>	<u>\$ 26,502,066</u>

City of Grand Junction, Colorado  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2009

	Data Processing	Equipment	Self - Insurance	Communications Center	Total
<b>Cash flows from operating activities:</b>					
Cash received from interfund	\$ 4,319,988	\$ 1,646,377	\$ 1,372,056	\$ 2,144,035	\$ 9,482,456
Cash received from customers and users	54,530	36,941	641	1,604,928	1,697,040
Cash paid to interfund	(3,576)	(81,733)	(8,958)	(266,460)	(360,727)
Cash paid to suppliers	(1,398,338)	(1,446,092)	(1,569,688)	(558,214)	(4,972,332)
Cash paid to employees	(2,222,723)	(719,200)	(320,917)	(3,625,581)	(6,888,421)
Miscellaneous receipts	-	-	155,819	-	155,819
Net cash provided (used) by operating activities	<u>749,881</u>	<u>(563,707)</u>	<u>(371,047)</u>	<u>(701,292)</u>	<u>(886,165)</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers from other funds	-	-	-	710,436	710,436
Transfers to other funds	-	(11,695)	(472,819)	-	(484,514)
Increase (decrease) in amount due other funds	-	-	-	135,967	135,967
Net cash provided by noncapital financing activities	<u>-</u>	<u>(11,695)</u>	<u>(472,819)</u>	<u>846,403</u>	<u>361,889</u>
<b>Cash flows from capital and related financing activities:</b>					
Intergovernmental receipts	7,288	-	-	322,338	329,626
Miscellaneous receipts	-	-	-	57,500	57,500
Proceeds from disposition of capital assets	-	5,828	-	-	5,828
Purchase of capital assets	(595,079)	(735,561)	-	(1,956,988)	(3,287,628)
Net cash used in capital and related financing activities	<u>(587,791)</u>	<u>(729,733)</u>	<u>-</u>	<u>(1,577,150)</u>	<u>(2,894,674)</u>
<b>Cash flows from investing activities:</b>					
Investment income received	21,039	144,415	134,327	15,311	315,092
Net cash provided by investing activities	<u>21,039</u>	<u>144,415</u>	<u>134,327</u>	<u>15,311</u>	<u>315,092</u>
Net increase in cash and cash equivalents	183,129	(1,160,720)	(709,539)	(1,416,728)	(3,103,858)
Cash and cash equivalents, January 1	968,980	7,101,073	7,309,921	1,416,728	16,796,702
Cash and cash equivalents, December 31	<u>\$ 1,152,109</u>	<u>\$ 5,940,353</u>	<u>\$ 6,600,382</u>	<u>\$ -</u>	<u>\$ 13,692,844</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 594,348	\$ (2,311,152)	\$ (582,921)	\$ (1,329,282)	\$ (3,629,007)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	243,716	1,445,959	-	685,300	2,374,975
(Increase) decrease in accounts receivable	14,855	(1,534)	(710,525)	25,054	(672,150)
Increase (decrease) in accounts payable	(28,446)	323,466	22,679	28,537	346,236
Increase (decrease) in claims payable	-	-	906,250	-	906,250
Increase (decrease) in accrued wages and compensated absences payable	(110,394)	(26,437)	(6,530)	(79,440)	(222,801)
(Increase) decrease in accounts payable due to purchase of capital assets on account	35,802	5,991	-	(31,461)	10,332
Total adjustments	<u>155,533</u>	<u>1,747,445</u>	<u>211,874</u>	<u>627,990</u>	<u>2,742,842</u>
Net cash provided (used) by operating activities	<u>\$ 749,881</u>	<u>\$ (563,707)</u>	<u>\$ (371,047)</u>	<u>\$ (701,292)</u>	<u>\$ (886,165)</u>
<b>Noncash Investing, Capital and Financing Activities</b>					
Purchase of capital assets on account	\$ 22,282	\$ 2,501	\$ -	\$ 34,026	\$ 58,809
Net book value of capital assets traded in on capital assets acquired	-	105,610	-	-	105,610
Trade in value of disposed assets	-	179,644	-	-	179,644

## **FIDUCIARY FUNDS**

Fiduciary Funds are used to account for assets held by the City in a fiduciary capacity, or as an agent for individuals, private organizations, other governments, and/or other funds. These include Pension Trust, Private-Purpose Trust, Investment Trust and Agency Funds. Since the City has only one Investment Trust Fund, it is presented in the Basic Financial section of this report.

### **Private Purpose Trust Funds**

**Mesa County Valley School District 51 SLD Fee Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside the City government.

**General Trust Fund** ~ to account for revenues and expenditures not included in other trust funds for which uses have been specified by parties outside City government.

**Employee Retirement Health Benefit Fund** ~ to close the fund that accounted for revenues and expenditures associated with the City's Self-Insurance Internal Service Fund.

### **Pension Trust Funds**

**Police Old Hire Pension Trust Fund** ~ to account for assets for the Police Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

**Fire Old Hire Pension Trust Fund** ~ to account for assets for the Fire Old Hire Defined Benefit Pension Plan invested in and administered by the Fire and Police Pension Association of Colorado for qualified firefighter retirees.

### **Agency Funds**

**Park Improvement Advisory Board Fund** ~ to provide the custodial function of accounting for operations of the board.

**Sewer and Water Districts Clearing Account Fund** ~ to provide the billing and collection of charges for some districts outside the city.

**Rimrock Marketplace General Improvement District Fund** ~ to act as an agent for property owners in collection assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable.

**Downtown Business Improvement District Fund** ~ to provide the custodial function of accounting for operations of the Downtown Business Improvement District.



City of Grand Junction, Colorado  
**COMBINING STATEMENTS OF NET ASSETS**  
**PENSION TRUST FUNDS**  
December 31, 2009

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	Police Old Hire	Fire Old Hire	Total
<b>ASSETS</b>			
Cash and investments	\$ 2,845,983	\$ 9,459,246	\$ 12,305,229
<b>LIABILITIES</b>	-	-	-
<b>NET ASSETS HELD IN TRUST FOR:</b>			
Pension benefits	\$ 2,845,983	\$ 9,459,246	\$ 12,305,229

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PENSION TRUST FUNDS**  
For the year ended December 31, 2009

	Police Old Hire	Fire Old Hire	Total
<b>ADDITIONS</b>			
Contributions:			
City	\$ 426,798	\$ 192,143	\$ 618,941
Plan member	-	1,867	1,867
Total contributions	<u>426,798</u>	<u>194,010</u>	<u>620,808</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	478,904	1,606,579	2,085,483
Interest	<u>19,401</u>	<u>62,945</u>	<u>82,346</u>
Net investment income	<u>498,305</u>	<u>1,669,524</u>	<u>2,167,829</u>
Total additions	<u>925,103</u>	<u>1,863,534</u>	<u>2,788,637</u>
<b>DEDUCTIONS</b>			
Benefits	649,022	1,141,875	1,790,897
Administrative expense	<u>20,358</u>	<u>68,243</u>	<u>88,601</u>
Total deductions	<u>669,380</u>	<u>1,210,118</u>	<u>1,879,498</u>
Change in net assets	255,723	653,416	909,139
<b>Net assets - beginning</b>	<u>2,590,260</u>	<u>8,805,830</u>	<u>11,396,090</u>
<b>Net assets - ending</b>	<u>\$ 2,845,983</u>	<u>\$ 9,459,246</u>	<u>\$ 12,305,229</u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
December 31, 2009

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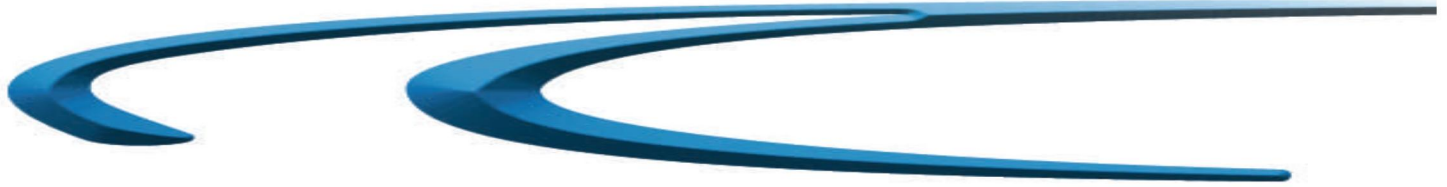
	Mesa County Valley School District 51 SLD Fee	General Trust	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$ 73,181	\$ 468	\$ 73,649
	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET ASSETS HELD IN TRUST FOR</b>			
Individuals, organizations and others	\$ 73,181	\$ 468	\$ 73,649
	<u>          </u>	<u>          </u>	<u>          </u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
For the year ended December 31, 2009

	Mesa County Valley School District 51 SLD Fee	General Trust	Employee Retirement Health Benefit	Total
<b>ADDITIONS</b>				
Additions by participants	\$ 105,340	\$ -	\$ 375,553	\$ 480,893
Investment income	961	-	24,390	25,351
Total additions	<u>106,301</u>	<u>-</u>	<u>399,943</u>	<u>506,244</u>
<b>DEDUCTIONS</b>				
Distributions to participants	138,492	-	1,156,569	1,295,061
Health insurance premiums paid	-	-	323,349	323,349
Administrative expense	4,283	-	-	4,283
Total deductions	<u>142,775</u>	<u>-</u>	<u>1,479,918</u>	<u>1,622,693</u>
Change in net assets	(36,474)	-	(1,079,975)	(1,116,449)
Net assets - beginning	109,655	468	1,079,975	1,190,098
Net assets - ending	<u>\$ 73,181</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ 73,649</u>

City of Grand Junction, Colorado  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the year ended December 31, 2009

	Balance Beginning	Additions	Deletions	Balance Ending
<b><u>PARK IMPROVEMENT ADVISORY BOARD</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 282,217	\$ 236,733	\$ 140,948	\$ 378,002
Accounts receivable, net of allowance	-	225,233	225,233	-
Total assets	<u>\$ 282,217</u>	<u>\$ 461,966</u>	<u>\$ 366,181</u>	<u>\$ 378,002</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 22,577	\$ 5,000	\$ 17,577
Due to other governments	282,217	439,389	361,181	360,425
Total liabilities	<u>\$ 282,217</u>	<u>\$ 461,966</u>	<u>\$ 366,181</u>	<u>\$ 378,002</u>
<b><u>RIMROCK MARKETPLACE GENERAL IMPROVEMENT DISTRICT</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 336,180	\$ 250,026	\$ 202,171	\$ 384,035
<b>LIABILITIES</b>				
Due to other governments	\$ 336,180	\$ 250,776	\$ 202,921	\$ 384,035
<b><u>SEWER AND WATER DISTRICTS CLEARING</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 100,454	\$ 1,131,890	\$ 1,148,689	\$ 83,655
<b>LIABILITIES</b>				
Due to other governments	\$ 100,454	\$ 1,131,890	\$ 1,148,689	\$ 83,655
<b><u>DOWNTOWN BUSINESS IMPROVEMENT DISTRICT</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 138,708	\$ 172,549	\$ 193,717	\$ 117,540
<b>LIABILITIES</b>				
Due to other governments	\$ 138,708	\$ 172,549	\$ 193,717	\$ 117,540
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 857,559	\$ 1,791,198	\$ 1,685,525	\$ 963,232
Accounts receivable, net of allowance	-	225,233	225,233	-
Total assets	<u>\$ 857,559</u>	<u>\$ 2,016,431</u>	<u>\$ 1,910,758</u>	<u>\$ 963,232</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 22,577	\$ 5,000	\$ 17,577
Due to other governments	857,559	1,994,604	1,906,508	945,655
Total liabilities	<u>\$ 857,559</u>	<u>\$ 2,017,181</u>	<u>\$ 1,911,508</u>	<u>\$ 963,232</u>



# DOWNTOWN DEVELOPMENT AUTHORITY

## **A Component Unit of the City of Grand Junction, Colorado**

The Downtown Development Authority (DDA) was formed to improve the downtown area of the City of Grand Junction. Since this is the only component unit of the City, it reported on the Government-wide Financial Statement. However, since it does not issue its own financial report, the following fund information for the DDA is provided.

### **Special Revenue Funds**

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

**DDA Operations Special Revenue Fund** ~ to account for all revenues and expenditures associated with operating the Downtown Development Authority.

**DDA Tax Increment Special Revenue Fund** ~ to account for property tax revenues from the Downtown Tax Increment Financing District used principally to reduce debt incurred for downtown improvements.

### **Debt Service Funds**

**Debt Service Funds** are used to account for all resources being accumulated for general long-term debt principal and interest payments maturing in future years other than long-term debt accounted for in enterprise and internal service funds.

**DDA Debt Service Fund** ~ to account for those resources which are being accumulated for Long-term debt, principal and interest payments on Downtown Development Authority Tax Increment Bonds maturing in future years.

### **Capital Project Funds**

**Capital Projects Funds** are used to account for financial resources to be used for the acquisition of Construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**DDA TIF Capital Improvements Fund** ~ to account for capital improvements within the boundaries of the Downtown Development Authority (DDA), financed with the proceeds of Tax Increment Financing (TIF) Bonds.

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2009

	DDA Tax Increment	DDA Operations Special Revenue Fund	TIF Capital Improvements Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 1,976,229	\$ 826,830	\$ 3,760,487	\$ 6,563,546
Property taxes receivable	1,800,796	213,242	-	2,014,038
Accounts receivable	-	14,713	55,000	69,713
Total assets	<u>3,777,025</u>	<u>1,054,785</u>	<u>3,815,487</u>	<u>8,647,297</u>
<b>LIABILITIES</b>				
Accounts payable	-	3,574	14,586	18,160
Accrued liabilities	-	3,844	1,162	5,006
Deferred revenue	1,800,796	213,242	-	2,014,038
Compensated absences payable	-	237	199	436
Total liabilities	<u>1,800,796</u>	<u>220,897</u>	<u>15,947</u>	<u>2,037,640</u>
<b>FUND BALANCES</b>				
Unreserved:				
Designated for subsequent year's expenditures	791,191	-	3,056,091	3,847,282
Unreserved, undesignated	1,185,038	833,888	743,449	2,762,375
Total fund balances	<u>1,976,229</u>	<u>833,888</u>	<u>3,799,540</u>	<u>6,609,657</u>
Total liabilities and fund balances	<u>\$ 3,777,025</u>	<u>\$ 1,054,785</u>	<u>\$ 3,815,487</u>	

Amounts reported for the Component Unit - Downtown Development Authority on the statement of net assets (page 31) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 6,222,119

Deposits on Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 395,000

Long-term liabilities such as bonds and notes payable, compensated absences and accrued interest are not due and payable in the current period and therefore are not reported in the funds.

Bonds Payable	\$ (9,325,000)	
Deferred charge for issue costs (to be amortized over life of debt)	86,773	
Accrued Interest payable	(11,656)	
Compensated absences	<u>(5,676)</u>	(9,255,559)

Total net assets -Component Unit - Downtown Development Authority. (page 31) \$ 3,971,217



**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the year ended December 31, 2009

	DDA Tax Increment	DDA Operations Special Revenue Fund	DDA Debt Service Fund	TIF Capital Improvements Capital Project Fund	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 1,949,414	\$ 230,022	\$ -	\$ -	\$ 2,179,436
Intergovernmental	329,649	-	-	-	329,649
Charges for services	-	4,712	-	-	4,712
Miscellaneous	-	266,733	-	-	266,733
Investment income	70,880	19,211	-	28,966	119,057
Total revenues	<u>2,349,943</u>	<u>520,678</u>	<u>-</u>	<u>28,966</u>	<u>2,899,587</u>
<b>EXPENDITURES</b>					
Current:					
Urban development and housing	32,548	373,025	93,288	1,333,908	1,832,769
Debt service:					
Principal retirement	-	-	6,778,455	-	6,778,455
Interest and fiscal charges	-	-	384,621	-	384,621
Capital outlay	-	-	-	628,304	628,304
Total expenditures	<u>32,548</u>	<u>373,025</u>	<u>7,256,364</u>	<u>1,962,212</u>	<u>9,624,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,317,395</u>	<u>147,653</u>	<u>(7,256,364)</u>	<u>(1,933,246)</u>	<u>(6,724,562)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	51,808	7,256,161	-	7,307,969
Transfers out	(2,787,392)	(253,363)	-	(4,267,214)	(7,307,969)
Loan proceeds	-	-	-	10,000,000	10,000,000
Total other financing sources (uses)	<u>(2,787,392)</u>	<u>(201,555)</u>	<u>7,256,161</u>	<u>5,732,786</u>	<u>10,000,000</u>
Net change in fund balances	(469,997)	(53,902)	(203)	3,799,540	3,275,438
Fund balances - beginning	2,446,226	887,790	203	-	3,334,219
<b>Fund balances - ending</b>	<u>\$ 1,976,229</u>	<u>\$ 833,888</u>	<u>\$ -</u>	<u>\$ 3,799,540</u>	<u>\$ 6,609,657</u>

Amounts reported for Component Unit - Downtown Development Authority in the statement of activities (page 33) are different because:

Net change in fund balances - total governmental funds (above) \$ 3,275,438

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$404,172 exceeded depreciation (\$181,968) in the current period. 222,204

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, these transactions have no effect on net assets. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of long-term debt	\$ (10,000,000)	
Debt principal payments	6,778,455	
Bond issuance costs	93,288	
Deferred charge for bond issuance costs	(6,515)	
Increase in accrued interest	<u>(11,656)</u>	
		(3,146,428)

Expenditures for compensated absences and longevity are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas in the statement of activities, they are measured as the benefits are earned by employees during the year. (923)

Change in net assets of the Component Unit - Downtown Development Authority (page 33) \$ 350,291

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA TAX INCREMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,902,483	\$ 1,902,483	\$ 1,949,414	\$ 46,931
Intergovernmental	371,007	400,000	329,649	(70,351)
Investment income	84,940	40,000	70,880	30,880
Total revenues	<u>2,358,430</u>	<u>2,342,483</u>	<u>2,349,943</u>	<u>7,460</u>
<b>EXPENDITURES</b>				
Current:				
Urban development and housing	<u>37,440</u>	<u>37,440</u>	<u>32,548</u>	<u>4,892</u>
Excess of revenues over expenditures	2,320,990	2,305,043	2,317,395	12,352
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,724,490)</u>	<u>(2,782,500)</u>	<u>(2,787,392)</u>	<u>(4,892)</u>
Net change in fund balance	596,500	(477,457)	(469,997)	7,460
Fund balances - beginning	2,446,226	2,446,226	2,446,226	-
Fund balances - ending	<u>\$ 3,042,726</u>	<u>\$ 1,968,769</u>	<u>\$ 1,976,229</u>	<u>\$ 7,460</u>

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DOWNTOWN DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 226,142	\$ 226,142	\$ 230,022	\$ 3,880
Charges for services	3,500	3,500	4,712	1,212
Miscellaneous	101,000	232,000	266,733	34,733
Investment income	23,390	18,712	19,211	499
Total revenues	<u>354,032</u>	<u>480,354</u>	<u>520,678</u>	<u>40,324</u>
<b>EXPENDITURES</b>				
Current:				
Urban development and housing	<u>317,760</u>	<u>381,760</u>	<u>373,025</u>	<u>8,735</u>
Excess of revenues over expenditures	36,272	98,594	147,653	49,059
<b>OTHER FINANCING SOURCES</b>				
Transfers in	84,940	40,000	51,808	11,808
Transfers out	-	(253,363)	(253,363)	-
Total other financing sources (uses)	<u>84,940</u>	<u>(213,363)</u>	<u>(201,555)</u>	<u>11,808</u>
Net change in fund balance	121,212	(114,769)	(53,902)	60,867
Fund balances - beginning	887,790	887,790	887,790	-
Fund balances - ending	<u>\$ 1,009,002</u>	<u>\$ 773,021</u>	<u>\$ 833,888</u>	<u>\$ 60,867</u>

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
Urban development and housing	-	100,000	93,288	6,712
Debt service:				
Principal retirement	1,000,000	6,778,456	6,778,455	1
Interest and fiscal charges	220,000	384,621	384,621	-
Total expenditures	<u>1,220,000</u>	<u>7,263,077</u>	<u>7,256,364</u>	<u>6,713</u>
Deficiency of revenues under expenditures	(1,220,000)	(7,263,077)	(7,256,364)	6,713
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,639,550</u>	<u>7,263,077</u>	<u>7,256,161</u>	<u>(6,916)</u>
Net change in fund balance	419,550	-	(203)	(203)
Fund balances - beginning	203	203	203	-
Fund balances - ending	<u>\$ 419,753</u>	<u>\$ 203</u>	<u>\$ -</u>	<u>\$ (203)</u>

**DOWNTOWN DEVELOPMENT AUTHORITY**  
A Component Unit of the City of Grand Junction, Colorado  
**DDA TIF CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the year ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ -	-	\$ 28,966	\$ 28,966
<b>EXPENDITURES</b>				
Current:				
Urban development and housing	-	1,333,908	1,333,908	-
Capital projects	2,830,000	1,496,092	628,304	867,788
Total expenditures	<u>2,830,000</u>	<u>2,830,000</u>	<u>1,962,212</u>	<u>867,788</u>
Deficiency of revenues under expenditures	(2,830,000)	(2,830,000)	(1,933,246)	896,754
<b>OTHER FINANCING SOURCES</b>				
Transfer Out	-	(4,267,214)	(4,267,214)	-
Loan proceeds	5,000,000	10,000,000	10,000,000	-
Sale of capital assets	750,000	-	-	-
Total other financing sources	<u>5,750,000</u>	<u>5,732,786</u>	<u>5,732,786</u>	<u>-</u>
Net change in fund balance	2,920,000	2,902,786	3,799,540	896,754
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ 2,920,000</u>	<u>\$ 2,902,786</u>	<u>\$ 3,799,540</u>	<u>\$ 896,754</u>



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# STATISTICAL SECTION

This section of the City of Grand Junction Comprehensive Annual Financial Report represents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

<b>Contents</b>	<b>Pages</b>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the City’s financial condition has changed over time.	127-131
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the City’s largest revenue source, sales tax.	132-135
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	136-140
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	141-142
<u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	143-144





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TABLE 1

City of Grand Junction, Colorado  
**NET ASSETS**  
 Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>								
Invested in capital assets, net of related debt	\$ 181,892,248	\$ 201,219,442	\$ 224,544,344	\$ 256,934,469	\$ 326,336,540	\$ 408,037,121	\$ 498,158,781	\$ 529,106,956
Restricted	3,741,227	5,303,737	3,837,095	3,944,221	5,379,428	3,692,563	14,005,393	15,918,001
Unrestricted	35,339,502	33,760,361	40,263,463	50,448,036	61,797,292	62,334,124	42,974,226	31,606,232
Total governmental activities net assets	<u>\$ 220,972,977</u>	<u>\$ 240,283,540</u>	<u>\$ 268,644,902</u>	<u>\$ 311,326,726</u>	<u>\$ 393,513,260</u>	<u>\$ 474,063,808</u>	<u>\$ 555,138,400</u>	<u>\$ 576,631,189</u>
<b>Business-type Activities</b>								
Invested in capital assets, net of related debt	\$ 34,219,616	\$ 33,495,032	\$ 34,071,610	\$ 33,697,216	\$ 36,518,897	\$ 39,673,423	\$ 44,539,563	\$ 46,087,527
Restricted	3,500,000	1,787,120	905,137	-	610,844	-	-	-
Unrestricted	68,770	3,044,687	3,350,735	5,286,462	4,114,096	4,176,474	(271,321)	(2,881,656)
Total business-type activities net assets	<u>\$ 37,788,386</u>	<u>\$ 38,326,839</u>	<u>\$ 38,327,482</u>	<u>\$ 38,983,678</u>	<u>\$ 41,243,837</u>	<u>\$ 43,849,897</u>	<u>\$ 44,268,242</u>	<u>\$ 43,205,871</u>
<b>Primary Government</b>								
Invested in capital assets, net of related debt	\$ 216,111,864	\$ 234,714,474	\$ 258,615,954	\$ 290,631,685	\$ 362,855,437	\$ 447,710,544	\$ 542,698,344	\$ 575,194,483
Restricted	7,241,227	7,090,857	4,742,232	3,944,221	5,990,272	3,692,563	14,005,393	15,918,001
Unrestricted	35,408,272	36,805,048	43,614,198	55,734,498	65,911,388	66,510,598	42,702,905	28,724,576
Total primary governmental net assets	<u>\$ 258,761,363</u>	<u>\$ 278,610,379</u>	<u>\$ 306,972,384</u>	<u>\$ 350,310,404</u>	<u>\$ 434,757,097</u>	<u>\$ 517,913,705</u>	<u>\$ 599,406,642</u>	<u>\$ 619,837,060</u>
<b>Component Unit:</b>								
Invested in capital assets, net of related debt	\$ 3,118,738	\$ 2,312,416	\$ 877,836	\$ 2,196,484	\$ 1,873,613	\$ 1,968,943	\$ 5,999,915	\$ 6,222,119
Restricted	142,971	-	170,000	32,000	32,000	-	203	-
Unrestricted	(5,950)	262,880	2,628,949	2,649,854	3,507,216	869,490	(2,379,192)	(2,250,902)
Total component unit net assets	<u>\$ 3,255,759</u>	<u>\$ 2,575,296</u>	<u>\$ 3,676,785</u>	<u>\$ 4,878,338</u>	<u>\$ 5,412,829</u>	<u>\$ 2,838,433</u>	<u>\$ 3,620,926</u>	<u>\$ 3,971,217</u>

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002

Source: Current and prior years' financial statements

TABLE 2

City of Grand Junction, Colorado  
**CHANGES IN NET ASSETS**  
 Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>								
Governmental Activities:								
General Government	\$ 10,397,825	\$ 8,276,802	\$ 9,548,713	\$ 9,596,763	\$ 8,775,975	\$ 12,412,910	\$ 16,143,424	\$ 14,022,155
Public Safety	17,966,339	19,871,283	23,823,248	22,904,850	24,638,801	28,167,497	32,088,791	32,884,135
Public Works	12,220,526	12,780,174	10,223,079	15,386,497	19,400,979	15,521,625	19,680,247	21,353,413
Parks and Recreation	4,740,433	5,318,756	6,684,183	5,175,343	4,743,303	7,419,519	7,955,933	8,924,292
Urban Development and Housing	720,043	622,802	347,218	415,306	110,694	565,373	545,715	572,726
Interest of Long-Term Debt	295,421	234,037	2,301,710	2,571,874	2,503,750	3,106,206	3,378,440	3,234,231
<b>Total Governmental Activities Expense</b>	<b>46,340,587</b>	<b>47,103,854</b>	<b>52,928,151</b>	<b>56,050,633</b>	<b>60,173,502</b>	<b>67,193,130</b>	<b>79,792,550</b>	<b>80,990,952</b>
Business-Type Activities:								
Water	3,826,901	4,009,508	4,158,777	4,222,594	4,349,852	4,671,765	5,067,168	5,283,655
Convention Center	1,828,188	1,988,176	2,130,427	2,641,066	2,805,768	2,968,119	3,514,396	3,396,100
Solid Waste Removal	2,160,155	2,190,000	2,302,588	2,340,292	2,632,219	2,820,253	2,907,325	4,196,468
Swimming Pools	829,676	815,682	826,992	919,684	1,015,665	991,685	1,014,976	1,025,401
Golf	1,896,274	1,919,148	2,040,033	1,898,642	1,966,353	2,123,769	2,285,777	2,472,997
Cemeteries	333,865	339,191	-	-	-	-	-	-
Parking	220,257	272,728	244,869	321,282	693,381	402,916	1,829,547	531,711
Irrigation Systems	248,603	250,073	279,556	273,642	298,439	289,528	318,708	300,130
Ambulance Transport	-	-	-	-	865,138	3,306,822	3,414,924	3,568,002
<b>Total Business-Type Activities Expense</b>	<b>11,343,919</b>	<b>11,784,506</b>	<b>11,983,242</b>	<b>12,617,202</b>	<b>14,626,815</b>	<b>17,574,857</b>	<b>20,352,821</b>	<b>20,774,464</b>
<b>Total Primary Government Expenses</b>	<b>\$ 57,684,506</b>	<b>\$ 58,888,360</b>	<b>\$ 64,911,393</b>	<b>\$ 68,667,835</b>	<b>\$ 74,800,317</b>	<b>\$ 84,767,987</b>	<b>\$ 100,145,371</b>	<b>\$ 101,765,416</b>
<b>Total Component Unit Expenses</b>	<b>\$ 569,356</b>	<b>\$ 1,213,309</b>	<b>\$ 464,709</b>	<b>\$ 386,262</b>	<b>\$ 1,378,932</b>	<b>\$ 4,633,804</b>	<b>\$ 2,117,208</b>	<b>\$ 2,549,296</b>
<b>Program Revenues</b>								
Governmental Activities:								
Charge for Service:								
General Government	\$ 4,040,068	\$ 1,707,755	\$ 2,072,365	\$ 2,201,868	\$ 2,350,160	\$ 5,451,358	\$ 2,929,275	\$ 2,639,601
Public Safety	2,806,777	4,194,882	4,270,121	4,636,026	4,503,743	4,774,346	5,895,984	6,406,830
Public Works	344,444	668,873	1,137,608	1,100,555	2,595,528	3,325,868	5,554,332	1,884,073
Parks and Recreation	750,033	799,011	1,187,450	1,294,737	1,070,852	3,199,673	2,286,100	1,423,145
Operating Grants and Contributions	1,104,192	733,500	492,464	718,425	565,044	1,182,795	1,548,954	1,661,118
Capital Grants and Contributions	24,345,898	16,358,934	20,628,819	34,104,271	66,735,306	56,633,477	63,431,598	23,963,787
<b>Total Governmental Activities Program Revenues</b>	<b>33,391,412</b>	<b>24,462,955</b>	<b>29,788,827</b>	<b>44,055,882</b>	<b>77,820,633</b>	<b>74,567,517</b>	<b>81,646,243</b>	<b>37,978,554</b>
Business-Type Activities:								
Water	4,673,955	4,746,675	4,397,730	4,476,728	4,670,635	4,987,126	5,293,379	5,527,333
Convention Center	1,171,731	1,315,342	1,603,083	2,114,443	2,437,970	2,544,726	2,840,966	2,657,327
Solid Waste Removal	2,218,985	2,234,155	2,260,492	2,427,094	2,500,954	2,841,130	3,051,483	2,976,883
Swimming Pools	440,721	431,336	394,625	628,073	691,810	697,770	680,496	760,756
Golf	1,606,520	1,641,313	1,648,009	1,802,903	1,956,584	2,106,921	2,221,204	2,147,161
Cemeteries	167,763	173,935	-	-	-	-	-	-
Parking	326,772	384,785	355,546	326,381	338,286	343,471	504,766	540,054
Irrigation Systems	170,415	170,378	172,016	178,709	179,837	191,854	204,956	212,043
Ambulance Transport	-	-	-	-	1,107,880	3,367,979	3,525,155	3,574,582
Operating Grants and Contributions	106,727	109,551	159,346	-	-	-	-	-
Capital Grants and Contributions	87,870	201,921	110,044	237,705	654,170	1,998,637	523,422	406,834
<b>Total Business-Type Activities Program Revenues</b>	<b>10,971,459</b>	<b>11,409,391</b>	<b>11,100,891</b>	<b>12,192,036</b>	<b>14,538,126</b>	<b>19,079,614</b>	<b>18,845,827</b>	<b>18,802,973</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 44,362,871</b>	<b>\$ 35,872,346</b>	<b>\$ 40,889,718</b>	<b>\$ 56,247,918</b>	<b>\$ 92,358,759</b>	<b>\$ 93,647,131</b>	<b>\$ 100,492,070</b>	<b>\$ 56,781,527</b>
<b>Total Component Unit Program Revenues</b>	<b>\$ 397,380</b>	<b>\$ 319,453</b>	<b>\$ 298,779</b>	<b>\$ 247,614</b>	<b>\$ 315,417</b>	<b>\$ 411,870</b>	<b>\$ 712,232</b>	<b>\$ 601,094</b>
<b>Net (Expense)/ Revenue</b>								
Governmental Activities	\$ (12,949,175)	\$ (22,640,899)	\$ (23,139,324)	\$ (11,994,751)	\$ 17,647,131	\$ 7,374,387	\$ 1,853,693	\$ (43,012,398)
Business-Type Activities	(372,460)	(375,115)	(882,351)	(425,166)	(88,689)	1,504,757	(1,506,994)	(1,971,491)
<b>Total Primary Government Net Expense</b>	<b>\$ (13,321,635)</b>	<b>\$ (23,016,014)</b>	<b>\$ (24,021,675)</b>	<b>\$ (12,419,917)</b>	<b>\$ 17,558,442</b>	<b>\$ 8,879,144</b>	<b>\$ 346,699</b>	<b>\$ (44,983,889)</b>
<b>Total Component Unit Net Expense</b>	<b>\$ (171,976)</b>	<b>\$ (893,856)</b>	<b>\$ (165,930)</b>	<b>\$ (138,648)</b>	<b>\$ (1,063,515)</b>	<b>\$ (4,221,934)</b>	<b>\$ (1,404,976)</b>	<b>\$ (1,948,202)</b>

TABLE 2 (Continued)

City of Grand Junction, Colorado  
**CHANGES IN NET ASSETS**  
 Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities:</b>								
Taxes								
Sales & Use Taxes	\$ 35,463,226	\$ 37,422,678	\$ 39,298,456	\$ 42,825,135	\$ 50,373,971	\$ 56,583,254	\$ 59,447,697	\$ 46,856,622
Property Taxes	4,397,354	4,351,646	4,619,651	4,722,839	5,618,112	5,926,469	8,440,775	8,701,650
Franchise Taxes	1,379,459	1,595,864	1,804,821	2,008,706	2,159,287	2,147,224	2,456,659	2,432,704
Highway Users Tax	1,519,438	1,436,453	1,537,963	1,519,215	1,763,231	1,732,774	1,718,004	1,940,291
Other Taxes	1,268,484	954,621	2,930,290	2,525,925	3,544,629	3,388,467	5,978,962	4,024,160
Investment Income	1,606,784	824,981	2,000,765	1,961,415	3,093,381	4,185,692	2,789,072	1,299,123
Gain (Loss) on Sale of Capital Assets	-	-	54,451	26,713	81,053	88,000	85,329	75,592
Transfers	(1,116,803)	(832,468)	(745,711)	(913,373)	(2,094,261)	(875,719)	(1,695,599)	(824,955)
<b>Total Governmental Activities</b>	<u>44,517,942</u>	<u>45,753,775</u>	<u>51,500,686</u>	<u>54,676,575</u>	<u>64,539,403</u>	<u>73,176,161</u>	<u>79,220,899</u>	<u>64,505,187</u>
<b>Business-Type Activities:</b>								
Investment Income	194,767	81,100	142,378	167,989	254,587	225,584	229,740	84,165
Gain (Loss) on Sale of Capital Assets	16,181	-	(5,095)	-	-	-	-	-
Transfers	1,116,803	832,468	745,711	913,373	2,094,261	875,719	1,695,599	824,955
<b>Total Business-Type Activities</b>	<u>1,327,751</u>	<u>913,568</u>	<u>882,994</u>	<u>1,081,362</u>	<u>2,348,848</u>	<u>1,101,303</u>	<u>1,925,339</u>	<u>909,120</u>
<b>Total Primary Government Activities</b>	<u>\$ 45,845,693</u>	<u>\$ 46,667,343</u>	<u>\$ 52,383,680</u>	<u>\$ 55,757,937</u>	<u>\$ 66,888,251</u>	<u>\$ 74,277,464</u>	<u>\$ 81,146,238</u>	<u>\$ 65,414,307</u>
<b>Component Unit Activities:</b>								
Property Taxes	1,121,855	1,172,239	1,167,670	1,327,496	1,445,856	1,498,752	2,081,840	2,179,436
Investment Income	54,205	42,640	99,749	58,474	152,150	198,530	105,629	119,057
Gain (Loss) on Sale of Capital Assets	-	-	-	(45,769)	-	(49,744)	-	-
<b>Total Component Unit Activities</b>	<u>\$ 1,176,060</u>	<u>\$ 1,214,879</u>	<u>\$ 1,267,419</u>	<u>\$ 1,340,201</u>	<u>\$ 1,598,006</u>	<u>\$ 1,647,538</u>	<u>\$ 2,187,469</u>	<u>\$ 2,298,493</u>
<b>Change In Net Assets</b>								
Governmental Activities	\$ 31,568,767	\$ 23,112,876	\$ 28,361,362	\$ 42,681,824	\$ 82,186,534	\$ 80,550,548	\$ 81,074,592	\$ 21,492,789
Business-Type Activities	955,291	538,453	643	656,196	2,260,159	2,606,060	418,345	(1,062,371)
<b>Total Primary Government</b>	<u>\$ 32,524,058</u>	<u>\$ 23,651,329</u>	<u>\$ 28,362,005</u>	<u>\$ 43,338,020</u>	<u>\$ 84,446,693</u>	<u>\$ 83,156,608</u>	<u>\$ 81,492,937</u>	<u>\$ 20,430,418</u>
<b>Total Component Unit: Downtown Development Authority</b>	<u>\$ 1,004,084</u>	<u>\$ 321,023</u>	<u>\$ 1,101,489</u>	<u>\$ 1,201,553</u>	<u>\$ 534,491</u>	<u>\$ (2,574,396)</u>	<u>\$ 782,493</u>	<u>\$ 350,291</u>

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002.

Source: Current and prior year's financial statements

TABLE 3

City of Grand Junction, Colorado  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>								
Reserved	\$ 488,060	\$ 2,064,060	\$ 2,146,185	\$ 2,105,728	\$ 6,391,927	\$ 7,958,173	\$ 9,135,472	\$ 9,589,625
Unreserved	11,345,770	11,175,753	13,084,091	17,146,236	20,157,996	26,430,185	18,320,471	9,573,798
Total General Fund	<u>11,833,830</u>	<u>13,239,813</u>	<u>15,230,276</u>	<u>19,251,964</u>	<u>26,549,923</u>	<u>34,388,358</u>	<u>27,455,943</u>	<u>19,163,423</u>
<b>All Other Governmental Funds</b>								
Reserved	\$ 3,741,227	\$ 3,803,737	\$ 54,425,376	\$ 37,456,559	\$ 6,659,252	\$ 1,517,413	\$ 10,916,914	\$ 14,581,790
Unreserved, reports in:								
Special Revenue Funds	3,972,738	4,089,208	3,447,242	4,362,767	5,640,048	4,716,567	5,378,544	4,569,216
Debt Service Funds	-	-	-	-	-	150	(3,420)	-
Capital Projects Funds	5,186,322	6,525,614	12,818,435	15,981,722	19,384,444	11,513,358	2,482,529	1,532,966
Total All Other Governmental Funds	<u>12,900,287</u>	<u>14,418,559</u>	<u>70,691,053</u>	<u>57,801,048</u>	<u>31,683,744</u>	<u>17,747,488</u>	<u>18,774,567</u>	<u>20,683,972</u>
<b>Total Governmental Funds</b>	<u>\$ 24,734,117</u>	<u>\$ 27,658,372</u>	<u>\$ 85,921,329</u>	<u>\$ 77,053,012</u>	<u>\$ 58,233,667</u>	<u>\$ 52,135,846</u>	<u>\$ 46,230,510</u>	<u>\$ 39,847,395</u>

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002.

Source: Current and prior year's financial statements.

TABLE 4

City of Grand Junction, Colorado  
**CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>								
Taxes	\$ 43,675,042	\$ 45,761,262	\$ 50,191,182	\$ 53,601,820	\$ 63,459,234	\$ 69,778,188	\$ 78,042,097	\$ 63,955,427
Licenses, Fees, and Permits	111,935	118,616	111,452	114,921	101,165	113,224	129,993	121,783
Intergovernmental	1,983,885	1,961,442	3,065,737	2,002,220	3,535,141	4,260,519	12,009,672	4,955,308
Charges for Services	4,810,031	5,488,457	5,884,254	6,077,290	11,513,267	8,633,619	8,997,208	8,311,362
Fines and Forfeitures	486,548	564,294	701,941	546,162	1,001,569	1,152,790	1,094,388	945,666
Special Assessments	101,142	34,230	148,289	65,949	75,103	146,610	24,493	92,198
Investment Earnings	938,331	488,268	1,547,469	1,622,584	2,982,954	3,270,125	1,968,465	984,031
Other Income	1,463,642	2,012,121	1,237,322	2,646,942	1,185,987	902,798	283,116	136,935
Other Contributions	82,571	11,891	192,283	49,232	70,874	1,063,174	873,869	196,833
<b>Total Revenues</b>	<b>53,653,127</b>	<b>56,440,581</b>	<b>63,079,929</b>	<b>66,727,120</b>	<b>83,925,294</b>	<b>89,321,047</b>	<b>103,423,301</b>	<b>79,699,543</b>
<b>Expenditures</b>								
General Government	\$ 8,332,174	\$ 8,288,652	\$ 8,716,681	\$ 9,207,102	\$ 10,404,115	\$ 12,336,103	\$ 15,596,506	\$ 13,793,482
Public Safety	17,350,391	18,553,410	19,977,861	20,490,870	22,930,060	25,791,977	29,657,426	29,092,018
Public Works	7,333,200	7,564,156	8,049,960	8,185,303	8,865,640	9,562,091	10,779,300	9,954,111
Parks and Recreation	4,385,230	4,731,828	5,378,915	5,302,211	5,795,820	6,432,863	7,273,190	7,347,609
Urban Development and Housing	720,042	622,802	347,218	593,786	249,847	565,373	545,715	572,726
Debt Service								
Principal Retirement	788,891	826,281	869,787	1,914,672	2,216,032	2,584,661	3,907,232	3,883,479
Interest	304,665	239,118	1,538,367	2,829,739	2,757,618	3,254,707	3,693,947	3,508,632
Bond Issuance Costs	-	-	723,626	-	-	-	-	-
Capital Outlay: Construction	8,860,186	10,555,511	19,983,688	25,615,550	46,927,452	55,331,874	36,484,253	16,879,724
<b>Total Expenditures</b>	<b>48,074,779</b>	<b>51,381,758</b>	<b>65,586,103</b>	<b>74,139,233</b>	<b>100,146,584</b>	<b>115,859,649</b>	<b>107,937,569</b>	<b>85,031,781</b>
<b>Other Financing Sources (Uses)</b>								
Transfers In	3,071,622	3,787,288	8,278,967	7,907,490	13,272,934	25,222,052	41,941,154	24,695,090
Transfers Out	(5,296,866)	(5,921,856)	(7,949,841)	(9,651,371)	(16,525,848)	(28,794,574)	(43,974,059)	(25,745,967)
Revenue Bonds Issued	-	-	57,075,000	-	654,860	22,925,000	-	-
Bond Premium	-	-	3,652,683	-	-	997,936	-	-
Sale of Capital Assets	-	-	-	-	-	90,367	641,837	-
<b>Total Other Financing Sources(Uses)</b>	<b>(2,225,244)</b>	<b>(2,134,568)</b>	<b>61,056,809</b>	<b>(1,743,881)</b>	<b>(2,598,054)</b>	<b>20,440,781</b>	<b>(1,391,068)</b>	<b>(1,050,877)</b>
<b>Net Change In Fund Balances</b>	<b>\$ 3,353,104</b>	<b>\$ 2,924,255</b>	<b>\$ 58,550,635</b>	<b>\$ (9,155,994)</b>	<b>\$ (18,819,344)</b>	<b>\$ (6,097,821)</b>	<b>\$ (5,905,336)</b>	<b>\$ (6,383,115)</b>
Debt Service as a Percentage of Noncapital Expenditures	2.6%	2.4%	5.0%	9.6%	9.0%	9.4%	10.6%	10.4%

Notes: The City of Grand Junction implemented GASB 34 as of December 31, 2002.

Source: Current and prior year's financial statements.

TABLE 5

City of Grand Junction, Colorado  
**SALES TAX REVENUE BY TYPE OF INDUSTRY** <sup>1</sup>  
 Last Ten Fiscal Years

Fiscal Year	Auto & Campers	Building Materials	Clothing/ Department Stores	Drug Stores	Furniture & Appliances	Grocery Stores	Liquor Stores	Motels & Hotels	Other	Restaurants	Service Stations	Total Sales Tax	Total Direct Tax Rate
2000	2,799,610	2,231,228	6,320,853	174,204	683,090	734,541	427,131	736,196	8,843,661	2,591,340	227,846	25,769,700	2.75%
2001	3,049,353	2,544,246	6,470,884	202,515	697,763	759,534	476,218	777,965	9,666,884	2,739,162	221,100	27,605,624	2.75%
2002	3,384,024	2,708,008	7,347,604	185,425	813,360	681,550	518,996	829,077	9,667,415	2,965,515	255,338	29,356,312	2.75%
2003	3,477,295	3,640,993	7,213,733	169,377	743,664	744,133	558,225	793,845	9,644,774	3,053,336	237,627	30,277,002	2.75%
2004	4,281,235	3,813,959	7,109,518	139,758	398,699	606,240	580,068	811,876	11,230,952	3,274,269	247,399	32,493,973	2.75%
2005	4,588,778	4,075,360	7,531,171	147,299	481,625	599,540	627,954	940,652	12,097,267	3,526,455	294,708	34,910,809	2.75%
2006	5,671,555	4,847,206	8,340,443	193,003	533,528	636,540	699,893	1,083,818	14,843,131	3,817,821	340,162	41,007,100	2.75%
2007	6,330,907	5,850,932	8,976,739	259,764	566,242	694,839	790,822	1,335,710	16,074,066	4,242,729	366,202	45,488,952	2.75%
2008	6,413,694	5,867,638	8,876,297	258,197	497,265	737,283	885,924	1,502,984	17,004,461	4,548,239	434,299	47,026,281	2.75%
2009	4,864,852	4,073,914	7,879,172	211,381	358,332	728,805	919,756	1,169,215	13,363,210	4,287,052	377,156	38,232,845	2.75%

<sup>1</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Division: Sales Tax Reports

**2009 Sales Tax Revenue by Type of Industry**

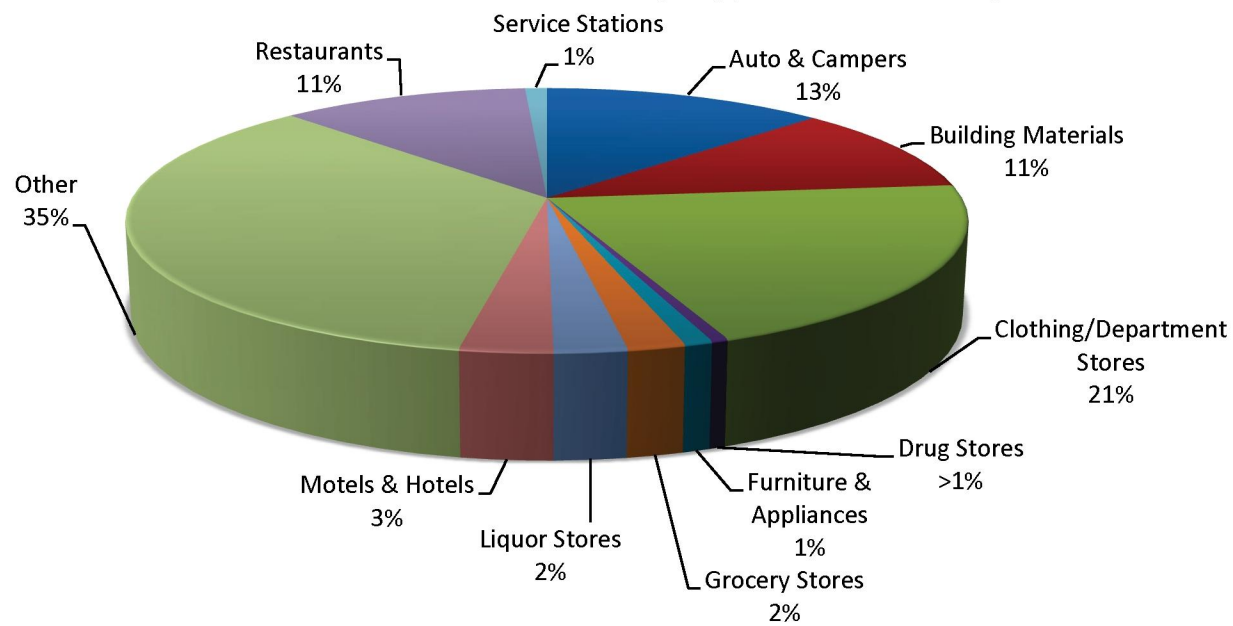


TABLE 6

City of Grand Junction, Colorado  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
 Last Ten Fiscal Years

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Fiscal Year	City Direct Rate		Overlapping Rates		Total Overlapping Sales Tax Rate
	City of Grand Junction	Total Direct Sales Tax Rate	Mesa County	State of Colorado	
2000	2.75%	2.75%	2.00%	2.90%	7.65%
2001	2.75%	2.75%	2.00%	2.90%	7.65%
2002	2.75%	2.75%	2.00%	2.90%	7.65%
2003	2.75%	2.75%	2.00%	2.90%	7.65%
2004	2.75%	2.75%	2.00%	2.90%	7.65%
2005	2.75%	2.75%	2.00%	2.90%	7.65%
2006	2.75%	2.75%	2.00%	2.90%	7.65%
2007	2.75%	2.75%	2.00%	2.90%	7.65%
2008	2.75%	2.75%	2.00%	2.90%	7.65%
2009	2.75%	2.75%	2.00%	2.90%	7.65%

Notes: The City's sales tax rate may be increased only by a majority vote of the City's residents.

Source: City Financial Operations Division: Sales Tax Reports

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TABLE 7

City of Grand Junction, Colorado  
**PRINCIPAL SALES TAX PAYERS**  
 Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Aggregate Top Ten Filers <sup>1,2</sup>	\$ 7,686,310	\$ 8,086,274	\$ 8,778,808	\$ 8,081,004	\$ 8,587,499	\$ 9,200,730	\$ 10,330,320	\$ 10,843,864	\$ 11,216,552	\$ 9,889,256
Aggregate All Other Filers <sup>2</sup>	18,083,390	19,519,350	20,577,504	22,195,998	23,906,474	25,710,079	30,676,780	34,645,088	35,809,729	28,343,589
Total Sales Tax	<u>\$ 25,769,700</u>	<u>\$ 27,605,624</u>	<u>\$ 29,356,312</u>	<u>\$ 30,277,002</u>	<u>\$ 32,493,973</u>	<u>\$ 34,910,809</u>	<u>\$ 41,007,100</u>	<u>\$ 45,488,952</u>	<u>\$ 47,026,281</u>	<u>\$ 38,232,845</u>
Top Ten Filers as a Percentage of Total Sales Tax	29.83%	29.29%	29.90%	26.69%	26.43%	26.35%	25.19%	23.84%	23.85%	25.87%

<sup>1</sup> Colorado State Statutes and the City of Grand Junction Ordinances prohibit disclosure of individual sales tax returns, therefore the current year top ten filers are listed in alphabetical order as follows: Best Buy, Home Depot, Kohls, Lowes, Mesa County Colorado, Sams Club, Target Stores, Walmart-North Avenue, Walmart-Rimrock and Xcel Energy.

<sup>2</sup> Excludes use tax and the city's share of county sales tax. Refer to Table 8 for total sales and use tax collections.

Source: City Financial Operations Division: Sales Tax Reports

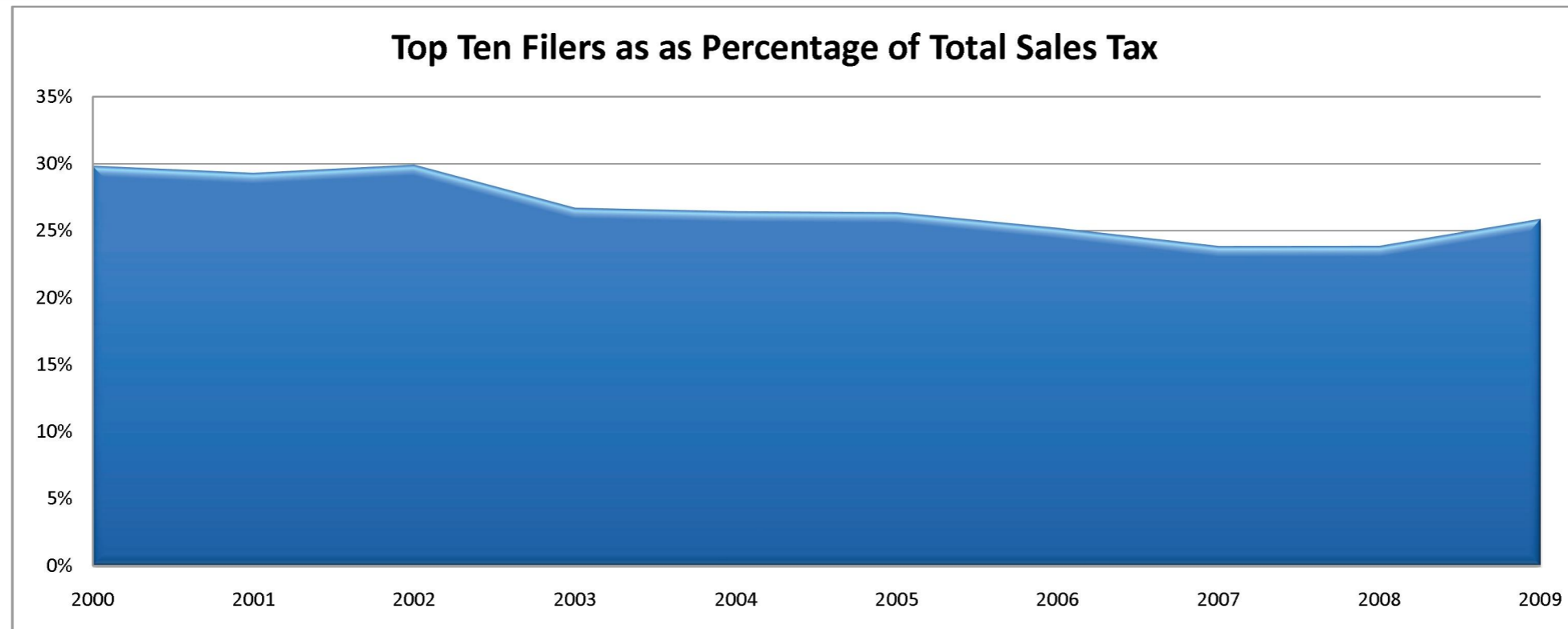


TABLE 8

City of Grand Junction, Colorado  
**SALES AND USE TAX COLLECTIONS**  
 Last Ten Fiscal Years

Fiscal Year	City Sales Tax	City Use Tax	City Share of County Sales Tax	Lodging Tax	Total
2000	25,769,700	1,056,721	3,925,730	679,814	31,431,965
2001	27,605,624	1,002,862	4,191,997	716,990	33,517,473
2002	29,356,312	920,312	4,401,660	784,942	35,463,226
2003	30,277,002	1,780,922	4,594,439	770,315	37,422,678
2004	32,493,973	1,183,845	4,830,477	790,161	39,298,456
2005	34,910,809	1,599,762	5,386,015	928,549	42,825,135
2006	41,007,100	2,165,095	6,120,684	1,081,096	50,373,975
2007	45,488,952	2,690,355	7,080,141	1,323,806	56,583,254
2008	47,026,281	3,696,770	7,216,665	1,507,981	59,447,697
2009	38,232,845	1,711,356	5,721,514	1,190,907	46,856,622

Source: City Financial Operations Division: Sales Tax Reports

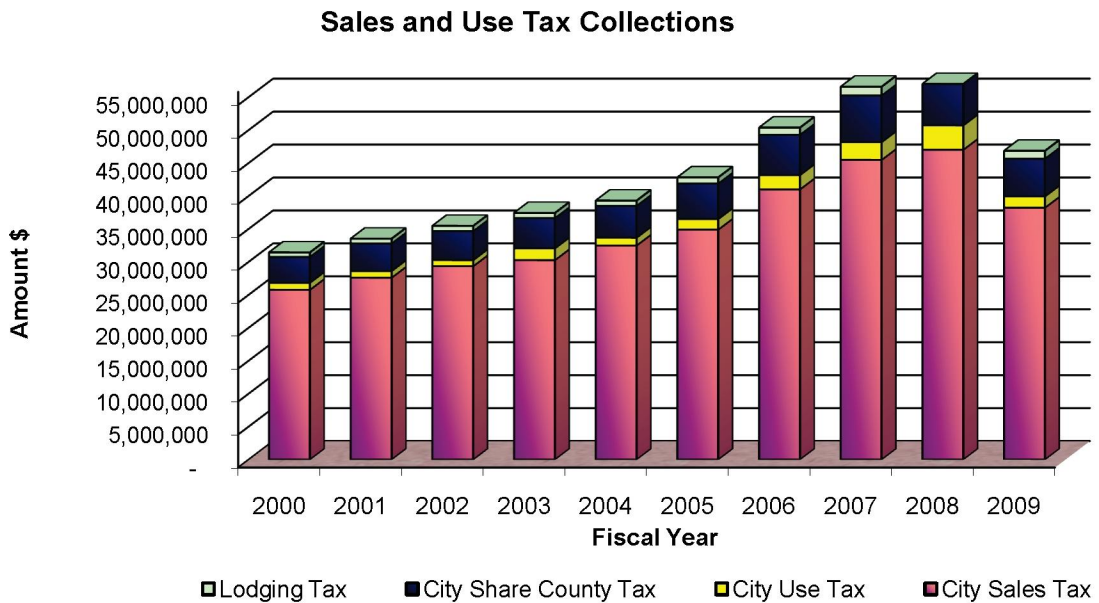


TABLE 9

City of Grand Junction, Colorado  
**RATIO OF OUTSTANDING DEBT BY TYPE  
 TO PERSONAL INCOME AND OUTSTANDING DEBT PER CAPITA<sup>1</sup>**  
 Last Eight Fiscal Years

Fiscal Year	Popu- lation <sup>A</sup>	Personal Income In Thousands <sup>C</sup>	Governmental Activities				Business-Type Activities		Total Primary Government	Ratio of Outstanding Debt to Personal Income	Outstanding Debt Per Capita
			General Obligation Bonds <sup>1</sup>	Revenue Bonds	Promissory Notes	Capital Leases	Promissory Notes	Loan Payable			
2002	45,698	1,165,025	2,396,600	-	182,921	2,460,093	123,215	3,500,233	8,663,062	0.54%	137
2003	46,861	1,209,108	2,171,383	-	159,213	1,882,737	115,474	3,490,034	7,818,841	0.47%	121
2004	48,325	1,318,403	1,927,348	60,604,780	133,134	1,283,063	107,346	3,347,672	67,403,343	4.97%	1,355
2005	49,420	1,425,965	1,668,791	59,359,891	104,448	655,636	98,812	3,200,316	65,087,894	4.45%	1,283
2006	51,569	1,576,774	1,389,950	57,867,070	72,893	-	89,850	3,052,921	62,472,684	3.87%	1,184
2007	53,662	1,739,829	1,090,000	79,664,693	38,181	-	80,441	2,900,164	83,773,479	4.75%	1,541
2008	55,189	1,913,679	935,000	75,815,801	-	-	70,561	2,747,362	79,568,724	4.11%	1,425
2009	56,441	1,914,027 <sup>D</sup>	770,000	71,838,039	-	-	-	2,589,193	75,197,232	3.89%	1,319

<sup>1</sup> The general obligation bonds consist of the Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt which are excluded from our ratio of outstanding debt to personal income calculation and our debt per capita calculation because they are to be paid with special property tax levys on property within these Districts only.

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002.

Source: Current and prior year's financial statements

- <sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Division
- <sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 10

City of Grand Junction, Colorado  
**RATIO OF NET GENERAL BONDED DEBT  
 TO PERSONAL INCOME AND NET BONDED DEBT PER CAPITA<sup>1</sup>**  
 Last Ten Fiscal Years

Fiscal Year	Population <sup>A</sup>	Personal Income in Thousands <sup>C</sup>	Gross Bonded Debt <sup>1</sup>	Debt Service Monies Available	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Personal Income	Bonded Debt Per Capita
2000	41,986	1,046,291	-	-	-	-	0.00%	-
2001	44,838	1,138,751	-	-	-	-	0.00%	-
2002	45,698	1,165,025	-	-	-	-	0.00%	-
2003	46,861	1,209,108	-	-	-	-	0.00%	-
2004	48,325	1,318,403	60,727,683	52,948,731	-	7,778,952	0.59%	161
2005	49,420	1,425,965	59,359,891	36,917,477	-	22,442,414	1.57%	454
2006	51,569	1,576,774	57,867,070	6,240,215	-	51,626,855	3.27%	1,001
2007	53,662	1,739,829	79,664,693	3,568,205	-	76,096,488	4.37%	1,418
2008	55,189	1,913,679	75,815,801	-	-	75,815,801	3.96%	1,374
2009	56,441	1,914,027 <sup>B</sup>	71,838,039 <sup>D</sup>	-	-	71,838,039	3.75%	1,273

Notes:

<sup>1</sup> The Ridges Metropolitan District debt and the Grand Junction West Water and Sanitation District debt are excluded because they are to be paid with special property tax levys on property within these Districts only.

Source:

- <sup>A</sup> Colorado DOLA Demography Section - All other City Financial Operations Division
- <sup>B</sup> Estimate, Colorado Department of Local Affairs, State Demography Office
- <sup>C</sup> Bureau of Economic Analysis
- <sup>D</sup> Estimate, based on prior year data and Bureau of Economic Analysis

TABLE 11

City of Grand Junction, Colorado  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 December 31, 2009

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Estimated actual value as determined by Assessor <sup>A</sup>		\$ <u><u>7,864,294,940</u></u>
Debt limit - 3% of actual value		\$ 235,928,848
Total General Obligation Debt <sup>B</sup>	\$ 770,000	
Less: Ridges Metropolitan District bonds supported by a special tax levy paid only within the District <sup>B</sup>	<u>(770,000)</u>	
Total amount of debt applicable to debt limit		<u>-</u>
Legal debt margin		\$ <u><u>235,928,848</u></u>
Source:		
<sup>A</sup> Mesa County Assessor		
<sup>B</sup> City Financial Operations Division		

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TABLE 12

City of Grand Junction, Colorado  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT** <sup>1</sup>  
 December 31, 2009

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Grand Junction</u>	<u>Amount Applicable to City of Grand Junction</u>
Direct:			
City of Grand Junction <sup>A</sup>	\$ 69,110,000	100.00%	\$ 69,110,000
Overlapping:			
Mesa County Valley School District No. 51 <sup>B</sup>	119,725,000	48.16%	57,657,956
Total			<u>\$ 126,767,956</u>

Notes:

<sup>1</sup> Computation of overlapping debt includes only the three major governmental units and excludes several special districts that partially overlap the City.

<sup>2</sup> Mesa County has outstanding sales tax revenue bonds which are payable from sales tax revenues and are not a general obligation of the property taxpayers of the County. The County also has outstanding jail lease purchase certificates which are not general obligations.

Source:

<sup>A</sup> City Financial Operations Division

<sup>B</sup> Mesa County Valley School District No. 51 Finance Department

TABLE 13

City of Grand Junction, Colorado  
**REVENUE BOND COVERAGE**  
**WATER BONDS**  
 Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2000	4,861,061	2,970,243	1,890,818	-	-	-	-
2001	5,052,597	3,285,854	1,766,743	-	-	-	-
2002	4,833,602	3,252,288	1,581,314	-	-	-	-
2003	4,811,215	3,285,692	1,525,523	-	-	-	-
2004	4,507,115	3,369,394	1,137,721	-	-	-	-
2005	4,616,835	3,444,021	1,172,814	-	-	-	-
2006	5,003,881	3,506,330	1,497,551	-	-	-	-
2007	5,319,132	3,794,036	1,525,096	-	-	-	-
2008	5,950,066	4,129,193	1,820,873	-	-	-	-
2009	5,977,671	4,299,638	1,678,033	-	-	-	-

Source: City Financial Operations Division

TABLE 14

City of Grand Junction, Colorado  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years

Fiscal Year	City <sup>A</sup> Population	County <sup>A</sup> Population	Personal Income in Thousands <sup>U</sup>	Per Capita Income <sup>U</sup>	School <sup>B</sup> Enrollment	Unemployment Rate <sup>E,F</sup>	
						Grand Junction MSA	State of Colorado
2000	41,986 <sup>C</sup>	116,255 <sup>C</sup>	1,046,291	24,920	19,633	3.3%	2.7%
2001	44,838	120,122	1,138,751	25,397	19,768	3.8%	3.8%
2002	45,698	122,463	1,165,025	25,494	20,035	5.0%	5.7%
2003	46,861	125,072	1,209,108	25,802	20,170	5.6%	6.1%
2004	48,325	127,808	1,318,403	27,282	20,207	5.5%	5.6%
2005	49,420	129,630	1,425,965	28,854	20,660	5.0%	5.1%
2006	51,569	135,468	1,576,774	30,576	20,877	4.0%	4.4%
2007	53,662	140,416	1,739,829	32,422	21,396	3.3%	3.9%
2008	55,189	144,440	1,913,679	34,675	22,272	3.9%	4.9%
2009	56,441 <sup>G</sup>	147,525 <sup>G</sup>	1,914,027	33,912 <sup>H</sup>	22,147	8.8%	7.7%

Note:

School enrollment is for Mesa County Valley School District No. 51 which includes the majority of Mesa County.

Source:

- A US Census Bureau and Colorado DOLA Demography Office
- B Mesa County Valley School District No. 51 - District wide enrollment
- C 2000 Census
- D Bureau of Economic Analysis
- E US Department of Labor, Bureau of Labor Statistics, Non Seasonally Adjusted
- F Prior year reports reflected unemployment rates for Mesa County; those have been replaced in the current year report with unemployment rates for the Grand Junction Metropolitan Statistical Area
- G Estimate, Colorado Department of Local Affairs, State Demography Office
- H Estimate, based on prior year data and Bureau of Economic Analysis

### Population, Income and School Enrollment Trend

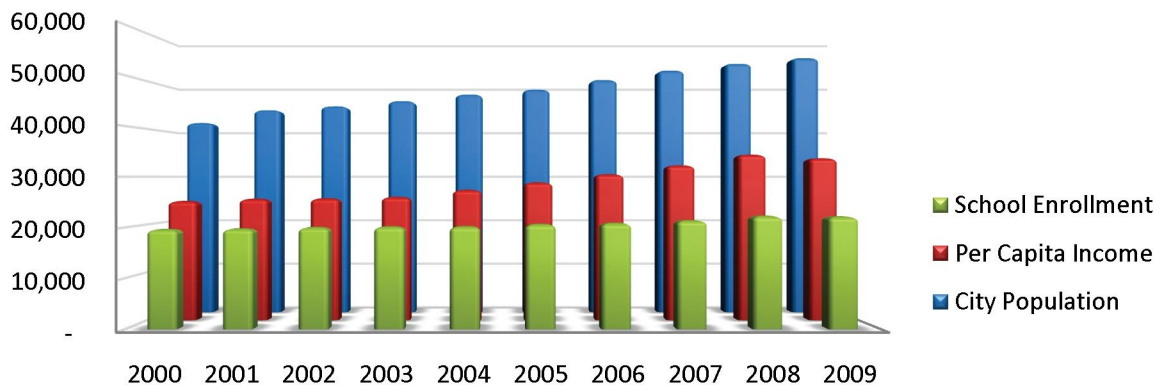




TABLE 15

City of Grand Junction, Colorado  
**TOP 10 PRINCIPAL EMPLOYERS**  
 December 31, 2009  
 Last Seven Fiscal Years

Employer	Type of Business	Prior to 2003	Number of Employees 2003 <sup>A</sup>	Percentage of Total 2003	Number of Employees 2004 <sup>A</sup>	Percentage of Total 2004	Number of Employees 2005 <sup>A</sup>	Percentage of Total 2005	Number of Employees 2006 <sup>A</sup>	Percentage of Total 2006	Number of Employees 2007 <sup>A</sup>	Percentage of Total 2007	Number of Employees 2008 <sup>B</sup>	Percentage of Total 2008	Number of Employees 2009 <sup>B</sup>	Percentage of Total 2009
School District #51	Schools	N/A	2,646	4.20%	2,786	4.32%	2,429	3.62%	2,600	3.61%	3,133	4.10%	3,200	4.06%	3,000	4.08%
St. Mary's Hospital	Medical	N/A	2,073	3.29%	1,985	3.08%	2,014	3.00%	2,000	2.78%	2,235	2.93%	2,235	2.83%	2,191	2.98%
City of Grand Junction	Government	N/A	570	0.90%	1,015	1.57%	900	1.34%	808	1.12%	968	1.27%	1,202	1.52%	1,219	1.66%
State of Colorado	Government	N/A	580	0.92%	922	1.43%	969	1.45%	982	1.37%	982	1.29%	1,197	1.52%	1,212	1.65%
Walmart	Retail	N/A	1,000	1.59%	860	1.33%	865	1.29%	910	1.27%	865	1.13%	860	1.09%	980	1.33%
Mesa County	Government	N/A	869	1.38%	872	1.35%	927	1.38%	925	1.29%	977	1.28%	982	1.24%	978	1.33%
Mesa State College	Schools	N/A	1,194	1.90%	1,440	2.23%	1,177	1.76%	1,250	1.74%	1,440	1.89%	1,259	1.60%	718	0.98%
City Markets, Inc.	Retail	N/A	600	0.95%	600	0.93%	400	0.60%	589	0.82%	590	0.77%	650	0.82%	677	0.92%
Star Tek USA	Services	N/A	550	0.87%					600	0.83%	625	0.82%			595	0.81%
Community Hospital	Medical	N/A	420	0.67%	415	0.64%	414	0.62%					574	0.73%	588	0.80%
Halliburton Energy	Services	N/A		0.00%			415	0.62%	700	0.97%	800	1.05%	977	1.24%		0.00%
Rocky Mountain Health Plans	Insurance	N/A			386	0.60%										
Other													65,767	83.35%	61,306	83.45%
Total of All Employees <sup>B</sup>		N/A	62,987		64,540		67,033		71,935		76,344		78,903		73,464	

Source:

<sup>A</sup> Grand Junction Chamber of Commerce (Includes Part-Time and Seasonal Employees)  
<sup>B</sup> Grand Junction Economic Partnership (Includes Part-Time and Seasonal Employees)  
 N/A Data Not Available

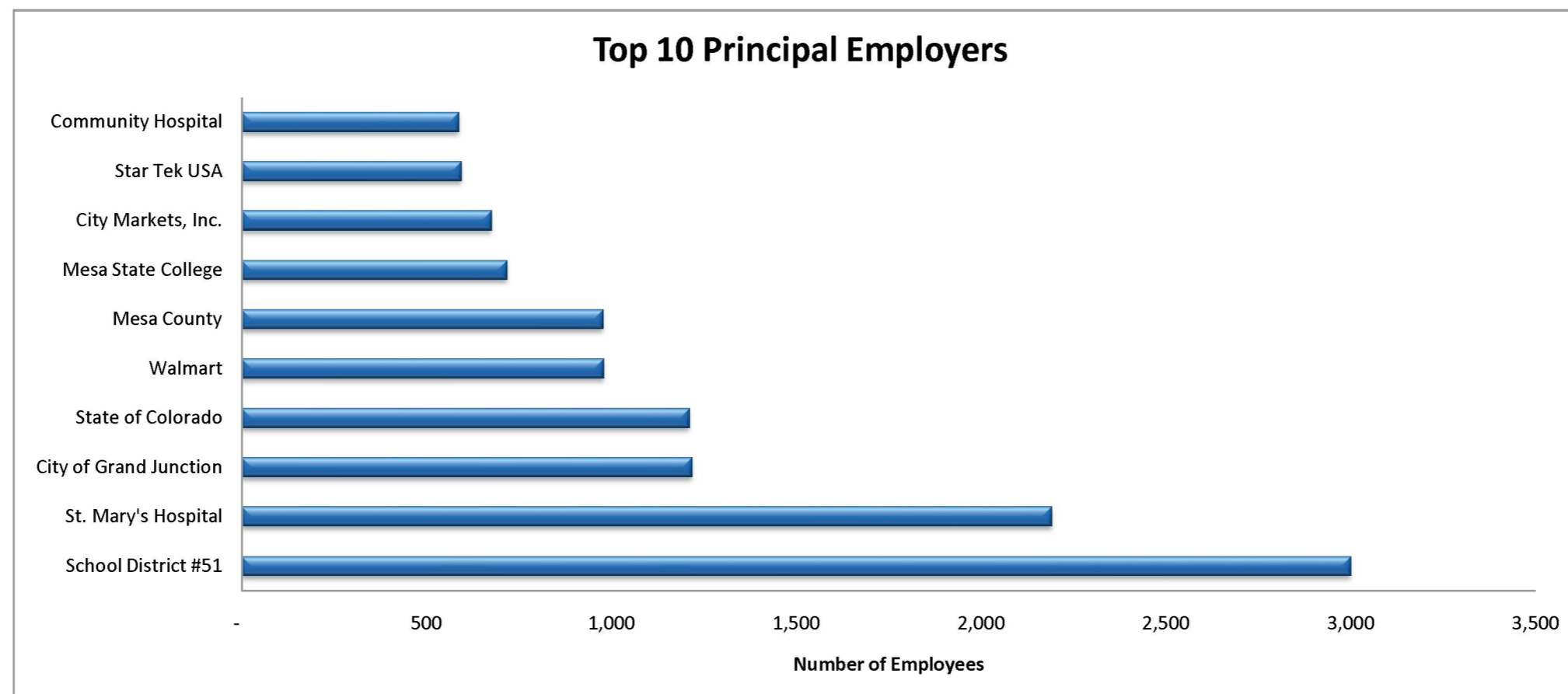


TABLE 16

City of Grand Junction, Colorado  
**MISCELLANEOUS STATISTICS**  
 Last Eight Fiscal Years

Date of incorporation: July 19, 1882<sup>A</sup>  
 Date charter adopted: September 14, 1909<sup>A</sup>  
 Form of government: Council/Manager<sup>A</sup>

City of Grand Junction Employees By Function (FTE's)<sup>E</sup>

Function	2002	2003	2004	2005	2006	2007	2008	2009
General Government	90	100	101	102	119	113	116	122
Fire Protection	75	79	79	83	98	98	99	99
Parks and Recreation	68	71	72	70	70	74	87	73
Police Protection								
Sworn	83	85	81	83	91	100	102	107
Non-Sworn	58	63	62	60	70	65	78	80
Public Works	172	172	175	170	161			
Public Works and Planning <sup>1</sup>						71	77	72
Utility and Street Systems <sup>1</sup>						116	120	115
<b>Total</b>	<b>546</b>	<b>570</b>	<b>570</b>	<b>568</b>	<b>609</b>	<b>637</b>	<b>679</b>	<b>668</b>

Building permits:<sup>B</sup>

Year	# Issued	Value
2002	2,012	143,644,397
2003	2,068	163,176,153
2004	2,080	158,746,233
2005	2,250	234,133,308
2006	2,205	286,484,081
2007	2,183	323,358,687
2008	1,762	254,912,474
2009	984	89,935,667

Elections:<sup>A</sup>

Year	Number of Registered Voters	Number of Votes in last General Election	Percentage
2002	28,810	8,256	28.66%
2003	19,890	8,256	41.51%
2004	25,780	8,417	32.65%
2005	25,650	8,417	32.81%
2006	21,677	8,756	40.39%
2007	21,677	8,756	40.39%
2008	34,774	27,508	79.11%
2009	27,977	8,579	30.66%

Education:

Type	2002	2003	2004	2005	2006	2007	2008	2009
Mesa County Valley School District No. 51 Enrollment: <sup>C</sup>								
Elementary	9,192	9,232	9,274	9,482	10,153	10,147	10,783	10,710
Middle	4,558	4,664	4,765	4,872	4,751	4,729	4,882	4,868
High	5,872	5,817	6,168	6,306	5,973	6,520	6,607	6,569
Mesa State College Enrollment: <sup>D</sup>	5,555	5,725	5,725	6,235	5,938	6,127	6,205	6,665

<sup>1</sup> The City of Grand Junction reorganized its department structure in 2007

Note: The City of Grand Junction implemented GASB 34 as of December 31, 2002

Source:

- <sup>A</sup> City Clerk
- <sup>B</sup> City Planning Division/Mesa County Building Department
- <sup>C</sup> Mesa County Valley School District No. 51
- <sup>D</sup> Mesa State College
- <sup>E</sup> City Personnel Department

TABLE 17

City of Grand Junction, Colorado  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Eight Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009
<b>Police<sup>B</sup></b>								
Stations	1	1	1	1	1	1	1	1
Vehicular Patrol Units	30	30	30	30	31	33	35	38
Canine Units	4	4	3	3	3	3	3	3
Motorcycles Units	4	4	4	4	6	6	6	8
Bicycles (Attached to Patrol Units)	13	18	18	18	23	23	26	20
<b>Fire Stations<sup>C</sup></b>								
	4	4	5	5	5	5	5	5
<b>Public Works<sup>A</sup></b>								
Area (Sq Miles)	32.87	33.12	34.25	34.65	35.47	36.9	37.46	37.84
Paved Streets (Lane Miles)	886.29	916.5	964.76	1010.37	1050.33	1081.24	1124.74	1136.31
Unpaved Streets (Lane Miles)	0	0	8.33	8.33	8.5	8.02	9.22	9.22
Total Streets (Lane Miles)	886.29	916.5	973.09	1018.7	1058.83	1089.26	1133.96	1145.53
<b>Parks and Recreation<sup>D</sup></b>								
Developed Parks (Acres)	427.19	427.19	434.69	434.69	434.69	434.69	434.69	434.69
Undeveloped Parks (Acres)	589.18	589.18	581.68	581.68	581.68	581.68	581.68	581.68
Total Parks (Acres)	1016.37	1016.37	1016.37	1016.37	1016.37	1016.37	1016.37	1016.37
Swimming Pools	2	2	2	2	2	2	2	2
Waterslides	1	1	1	1	1	1	2	2
Tennis Courts	10	10	16	16	16	16	22	22
Shelters	13	18	19	19	19	19	21	20
Baseball Stadiums(Lighted)	1	1	1	1	1	1	1	1
Baseball Stadiums(Unlighted)	1	1	1	1	1	1	1	1
Football/Track Stadium (Lighted)	1	1	1	1	1	1	1	1
Softball Fields(Lighted)	8	8	8	8	8	8	8	6
Softball Fields(Unlighted)	0	0	0	0	0	0	0	2
Golf Courses	2	2	2	2	2	2	2	2
Golf Courses (Acres)	156	156	156	156	156	156	156	156
Outdoor Basketball Courts (Lighted)	1	1	1	1	1	1	2	2
Outdoor Basketball Courts (Unlighted)	6	7	7	7	7	7	10	10
Multi-purpose Fields (Lighted)				1	1	1	1	1
Multi-purpose Fields (Unlighted)				10	10	10	10	10
Auditorium	1	1	1	1	1	1	1	1
Senior Recreation Center	1	1	1	1	1	1	1	1
Riverfront Trail (Miles)	14.8	14.8	14.8	14.8	14.8	14.8	18.7	18.7
Skateparks	2	2	2	2	2	2	2	2
Activity Center					1	1	1	1
<b>Utilities<sup>E</sup></b>								
Storm sewers (Miles)	60	88	136	166.83	135.24	216.07	138.57	161.37
Sanitary sewer (Miles)	488	498	589	316.14	502.57	537.64	589.7	597.81

Note: The City of Grand Junction implemented GASB 34 as of December 31,2002

Source:

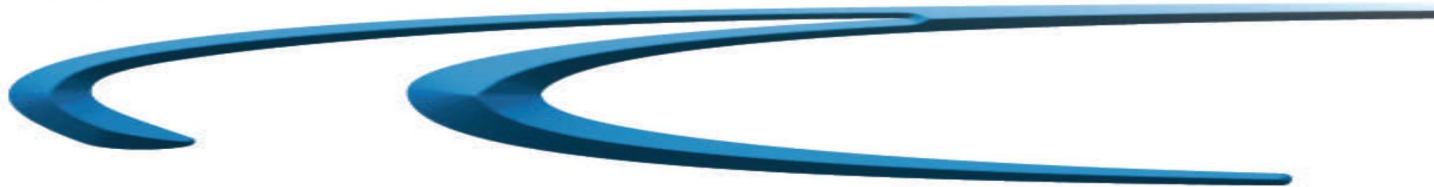
<sup>A</sup> City Administration GIS Department

<sup>B</sup> City Police Department

<sup>C</sup> City Fire Department

<sup>D</sup> City Parks and Recreation Department

<sup>E</sup> City Public Works Department



# **SINGLE AUDIT**



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INDEPENDENT AUDITOR'S REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 23, 2010

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 23, 2010. These basic financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City of Grand Junction, Colorado taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



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City of Grand Junction, Colorado  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended December 31, 2009

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>2009 Amount of Award Expended</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grants/ Entitlement Grants	14.218	\$ 1,030,246	\$ 531,089
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Edward Byrne Memorial Formula Grant	16.579	86,341	4,203
Edward Byrne Memorial Justice Asst. Grant	16.738	61,965	61,965
Edward Byrne Memorial Justice Asst. Grant-ARRA	16.804	254,568	254,568
Public Safety Partnership and Community Policing Grants	16.710	449,777	132,557
Public Safety Partnership and Community Policing Grants-ARRA	16.710	1,319,666	8,657
Bulletproof Vest Partnership Program	16.607	28,854	<u>9,326</u>
Total U.S. Department of Justice			471,276
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Mesa County, Colorado The Drug Free Community Support Program	93.276	42,255	42,255
<b>U.S. DEPARTMENT OF COMMERCE</b>			
Passed Through Eagle County, Colorado Public Safety Interoperable Communications Grant	11.555	505,775	373,570
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through the Colorado Department of Local Affairs Pre-Disaster Mitigation	97.017	3,000,000	181,185
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed Through the Colorado Department of Transportation Highway Planning and Construction	20.205	1,378,101	80,967
<b>U.S. DEPARTMENT OF INTERIOR</b>			
National Fire Plan-Rural Fire Assistance	15.242	8,000	<u>8,000</u>
Total Federal Award Expenditures			<u>\$ 1,688,342</u>

The accompanying notes are an integral part of this schedule.



City of Grand Junction, Colorado

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

December 31, 2009

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**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Grand Junction, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE B – SUB-RECIPIENTS**

Of the federal expenditures presented in the schedule the City of Grand Junction, Colorado provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount Provided to Sub-recipient</u>
Edward Byrne Memorial Formula Grant	16.579	\$ 2,504
Public Safety Partnership and Community Policing Grants	16.710	\$ 104,524



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

June 23, 2010

To the City Council  
City of Grand Junction, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Grand Junction, Colorado as of and for the year ended December 31, 2009, which collectively comprise the City of Grand Junction, Colorado's basic financial statements and have issued our report thereon dated June 23, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the City Council  
City of Grand Junction, Colorado  
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chadwick, Steinhilber, Davis & Co., P.C.





REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

June 23, 2010

To the City council  
City of Grand Junction, Colorado

Compliance

We have audited the compliance of the City of Grand Junction, Colorado with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City of Grand Junction, Colorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Grand Junction, Colorado's management. Our responsibility is to express an opinion on the City of Grand Junction, Colorado's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Grand Junction, Colorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Grand Junction, Colorado's compliance with those requirements.

In our opinion, the City of Grand Junction, Colorado complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

To the City Council  
City of Grand Junction, Colorado  
Page Two

Internal Control Over Compliance

The management of the City of Grand Junction, Colorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Grand Junction, Colorado's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

*Chadwick, Steinhilber, Davis + Co., P.C.*

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<u>Unqualified Opinion</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/> _____ none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/> _____ none reported

Type of auditor's report issued on compliance for major programs:	<u>Unqualified Opinion</u>		
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____	yes	_____ <input checked="" type="checkbox"/> _____ no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.804	Edward Byrne Memorial Justice Assistance Grant - ARRA
11.555	Public Safety Interoperable Communications Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/> _____ yes _____ no

City of Grand Junction, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2009

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SECTION II - FINANCIAL STATEMENT FINDINGS

There are no financial statement findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are findings or no questioned costs required to be reported under OMB Circular A-133.

City of Grand Junction, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2009

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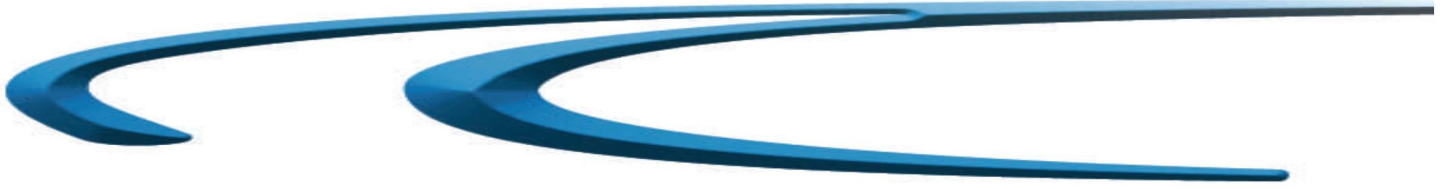
Prior year findings:

There were no prior year findings.





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# **OTHER SUPPLEMENTAL INFORMATION**



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON REQUIRED SUPPLEMENTAL INFORMATION

June 23, 2010

To the City Council  
City of Grand Junction, Colorado

We have audited the basic financial statements of the City of Grand Junction, Colorado for the year ended December 31, 2009, and have issued our report thereon dated June 23, 2010. Our audit of such financial statements was made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Supplemental Local Highway Finance Report is presented for purposes of additional analysis and is not a required part of the financial statements. The information in the schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*



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The public report burden for this information collection is estimated to average 380 hours annually.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: City of Grand Junction			
		YEAR ENDING : December 2009			
This Information From The Records Of (example - City of _ or County of		Prepared By: Aeron White	Phone: (970) 256-4012		
<b>I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE</b>					
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration	
1. Total receipts available					
2. Minus amount used for collection expenses					
3. Minus amount used for nonhighway purposes					
4. Minus amount used for mass transit					
5. Remainder used for highway purposes					
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES</b>		<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES</b>			
ITEM	AMOUNT	ITEM	AMOUNT		
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>			
1. Local highway-user taxes		1. Capital outlay (from page 2)	7,336,981		
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	3,026,658		
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations	531,149		
2. General fund appropriations	13,702,827	b. Snow and ice removal	363,661		
3. Other local imposts (from page 2)	1,562,409	c. Other			
4. Miscellaneous local receipts (from page 2)	1,162,253	d. Total (a. through c.)	894,810		
5. Transfers from toll facilities		4. General administration & miscellaneous	426,710		
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety			
a. Bonds - Original Issues		6. Total (1 through 5)	11,685,159		
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>			
c. Notes		1. Bonds:			
d. Total (a. + b. + c.)	0	a. Interest	3,451,298		
7. Total (1 through 6)	16,427,489	b. Redemption	3,530,000		
<b>B. Private Contributions</b>		c. Total (a. + b.)	6,981,298		
<b>C. Receipts from State government (from page 2)</b>	2,173,294	2. Notes:			
<b>D. Receipts from Federal Government (from page 2)</b>	65,674	a. Interest			
<b>E. Total receipts (A.7 + B + C + D)</b>	18,666,457	b. Redemption			
		c. Total (a. + b.)	0		
		3. Total (1.c + 2.c)	6,981,298		
		<b>C. Payments to State for highways</b>			
		<b>D. Payments to toll facilities</b>			
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	18,666,457		
<b>IV. LOCAL HIGHWAY DEBT STATUS</b> (Show all entries at par)					
	Opening Debt	Amount Issued	Redemptions	Closing Debt	
<b>A. Bonds (Total)</b>	72,640,000	0	3,530,000	69,110,000	
1. Bonds (Refunding Portion)					
<b>B. Notes (Total)</b>				0	
<b>V. LOCAL ROAD AND STREET FUND BALANCE</b>					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		18,666,457	18,666,457		0
<b>Notes and Comments:</b>					

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2009

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	91,509	a. Interest on investments	32,085
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	80,014
5. Specific Ownership &/or Other	1,470,900	g. Other Misc. Receipts	
6. Total (1. through 5.)	1,470,900	h. Other	1,050,154
c. Total (a. + b.)	1,562,409	i. Total (a. through h.)	1,162,253
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	1,940,291	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	233,003	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	65,674
f. Total (a. through e.)	233,003	g. Total (a. through f.)	65,674
4. Total (1. + 2. + 3.f)	2,173,294	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs	267,555	1,500	269,055
b. Engineering Costs	7,024	357,552	364,576
c. Construction:			
(1). New Facilities		3,352,186	3,352,186
(2). Capacity Improvements	444,473	167,748	612,221
(3). System Preservation	0	2,712,986	2,712,986
(4). System Enhancement & Operation	0	25,957	25,957
(5). Total Construction (1) + (2) + (3) + (4)	444,473	6,258,877	6,703,350
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	719,052	6,617,929	7,336,981
			(Carry forward to page 1)

Notes and Comments:





# Gardens and Museums





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